CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

Quarterly survey of UK company sources and uses of funds: summary of results 1977-80

Effects of leasing on statistics of manufacturing capital expenditure

No 340
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Release dates of economic statistics to be published in March 1982

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in March 1982. The dates are targets which are normally expected to be met. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

Publication date	Series	Method of release	Source
March 1982			
Mon 1	CBI Monthly Trends Inquiry (Febuary)	PN	CBI
Tues 2	UK official reserves (February)	PN	HM Treasury
	Capital issues and redemption (during the month of February)	PN	Bank of England
Wed 3	Advance energy statistics (January)	PN	D of Energy
Fri 5	Hire purchase and other instalment credit business (January)	PN	D of Trade
	Housing starts and completions (January)	PN	D of the Environment
	House renovations (4th quarter)	PN	D of the Environment
	Company liquidity survey (4th quarter)	*British business*	D of Industry
Mon 8	Retail sales (January – final)	PN	D of Trade
	Wholesale price index numbers (February – provisional)	PN	D of Industry
	Construction – output (4th quarter)	PN	D of the Environment
Tues 9	Provisional figures of vehicle production (February)	PN	D of Industry
	Central Government transactions (including borrowing requirement) (February)	PN	HM Treasury
	Provisional estimate of money supply (mid-February)	PN	Bank of England
	London clearing banks' monthly statement (mid-February)	PN	CLCB
Wed 10	UK balance of payments (4th quarter)	PN	CSO
Fri 12	Building Societies' monthly figures (February)	PN	BSA
	Usable steel production (February)	PN	BSC/BISPA
Mon 15	Index of industrial production (January – provisional)	PN	CSO
	Retail sales (February – provisional)	PN	D of Trade
Wed 17	Indices of average earnings (January)	PN	D of Employment
	Indices of basic rates of wages (February)	PN	D of Employment
Thurs 18	Cyclical indicators for the UK economy (February)	PN	CSO
	Capital expenditure by the manufacturing, distributive and service industries (4th quarter – revised)	PN	D of Industry
	Manufacturer's and distributor's stocks (4th quarter – revised)	PN	D of Industry
	London dollar and sterling certificates of deposit (mid-February)	PN	Bank of England
	UK banks' assets and liabilities and the money stock (mid-February)	PN	Bank of England
Fri 19	Retail prices index (February)	PN	D of Employment
	Tax and price index (February)	PN	CSO
Sun 21	Department for National Savings' monthly progress report (February)	PN	D for National Savings
Mon 22	Gross domestic product (4th quarter – provisional)	PN	CSO
Tues 23	Unemployment (March – provisional)	PN	D of Employment
	Unfilled vacancies (March – provisional)	PN	D of Employment
Wed 24	New vehicle registrations (February)	PN	D of Transport
	Construction – new orders (January)	PN	D of the Environment
Thurs 25	Financing of the Central Government borrowing requirement (4th quarter)	*Bulletin*	Bank of England
	UK banking sector statistics (4th quarter)	*Bulletin*	Bank of England
	Money stock (4th quarter)	*Bulletin*	Bank of England
	Energy Trends	PN	D of Energy
Fri 26	Car and commercial vehicle production (February – final)	*British Business*	D of Industry
	Sales and orders in the engineering industries (December)	*British business*	D of Industry
Mon 29	CBI Monthly Trends Inquiry (March)	PN	CBI
	Quarterly analysis of bank advances (mid-February)	PN	Bank of England
Wed 31	National Income and expenditure (4th quarter and year)	PN	CSO
	Unemployment and unfilled vacancies (February – final)	*Gazette*	D of Employment
	Employment in the production industries (January)	*Gazette*	D of Employment
	Overtime and short-time working in manufacturing industries (January)	*Gazette*	D of Employment
	Stoppages of work due to industrial disputes (February)	*Gazette*	D of Employment

PN—Press Notice

The Department of Trade will announce the release of the next Balance of payments current account and overseas trade figures press notice.

CENTRAL STATISTICAL OFFICE

Economic Trends

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Government Statistical Service

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Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 19 February. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

Symbols used:

..	not available or not meaningful
—	nil or less than half the final digit shown
§	series for which measures of variability are given on page 80
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*

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Latest developments in the economy[1]

Data available at 23 February 1982

Output

Industrial production in the fourth quarter of 1981 is provisionally estimated to have been about ½ per cent higher than in the previous quarter, attributable to increased energy output. Manufacturing production was broadly unchanged and remained some 2 per cent above the low level in the Spring. Output for December, which was lower than in previous months, was affected by adverse weather in the run-up to Christmas.

Preliminary estimates for the fourth quarter of 1981 suggest that output of the economy as a whole was nearly ½ per cent higher than in the third quarter. This second successive quarterly increase follows two years of decline in the underlying level of total output. In addition to the changes in industrial production in the fourth quarter set out above, there were some small increases in activity in transport and the distributive and motor trades.

The results of the CBI's Industrial Trends Survey taken in January point to little if any increase in demand and output levels in the following four months.

Consumers' expenditure

The provisional estimate of the volume of retail sales in January is 107 (1978 = 100), compared with 105·4 in the fourth quarter of 1981.

Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves fell by $122 million in January to $23,225 million. The quarterly rollover of the ecu swap on 7 January entailed a valuation decrease of $201 million, largely due to the fall in the gold price since October 1981. Amongst other transactions, there was a repayment of $77 million of the International Monetary Fund oil facility, the remainder of the UK's debt under this facility will be repaid by January 1983.

Up to 25 February, the average sterling effective exchange rate for February was 0·5 higher than for January.

Earnings and wage rates

The whole economy index of average earnings rose by 0·8 per cent in December to 216·2 (January 1976 = 100), 9·9 per cent above its December 1980 level. Basic weekly wages for manual workers (not seasonally adjusted) in January were 6·2 per cent higher than a year earlier.

Prices (not seasonally adjusted)

The retail prices index for January was 310·6 (January 1974 = 100), 0·6 per cent up on December 1981 and 12·0 per cent up on January 1981.

The tax and price index for January was 162·3 (January 1978 = 100), an increase of 15·6 per cent on January 1981.

The price index for materials and fuel purchased by manufacturing industry increased by ¾ per cent between December 1981 and January, over two-thirds of this rise was caused by higher prices for milk for liquid consumption. The change in the index measured over a 12-month period fell from 15½ per cent in December to 13¾ per cent in January.

The wholesale price index for home sales of manufactured products increased by 1 per cent between December 1981 and January. The change in the index over a 12-month period fell, for the first time since July 1981, from 11½ per cent in December to 11 per cent in January.

Unemployment and vacancies

Unemployment in the United Kingdom (excluding school leavers) rose by 7,100 from January to February to 2,836,000. Vacancies notified to employment offices fell by 700 to 113,500.

Financial aggregates

During banking January (six weeks to 20 January) sterling M_3 increased by £1,400 million or 1·7 per cent. Since mid-February 1981, sterling M_3 has grown at an annual rate of 15¾ per cent. However, growth remains distorted by the effects of the civil servants' dispute, with about £¼ billion of delayed taxes being collected during the month; some £3¼ billion remained outstanding at the reporting date.

The central government borrowing requirement (CGBR) was £60 million; even allowing for the collection of delayed taxes, it was still very low. The sterling value of UK residents' foreign currency deposits fell sharply by £920 million; the transactions would have reduced deposits by £1,100 million but exchange rate movements raised the sterling value of existing balances. PSL1 and PSL2 rose by 1·3 per cent and 1·1 per cent respectively. Domestic credit expanded by £1,182 million.

Stockbuilding

Provisional figures indicate that the level of stocks held by manufacturers, wholesalers and retailers fell by about £20 million (1975 prices) in the fourth quarter of 1981, the smallest quarterly fall in the last two years of continuous destocking. An increase in retailers stocks of £120 million was not quite sufficient to offset the decreases in manufacturers' stocks of £125 million and in wholesalers' stocks of some £19 million. The reduction in stocks in 1981 amounted to around £1,060 million compared with a reduction of £1,880 million in 1980. The figures indicate that the rate of destocking slowed down considerably in the second half of 1981.

Capital expenditure

The volume of capital expenditure by the manufacturing, distributive and service industries in the fourth quarter of 1981 is provisionally estimated to be over 1 per cent higher than in the third quarter. There was little change in expenditure between the first and second halves of 1981. The provisional total for the whole of 1981 is nearly 5 per cent below the 1980 total.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

In the fourth quarter of 1981, total investment in manufacturing industry (including the leasing of assets from the service industries) rose by 1 per cent. This small rise follows falls in seven successive quarters. For 1981 as a whole investment is provisionally estimated to be 13 per cent lower than in 1980. The provisional estimate of investment by the distributive and service industries (excluding shipping) in the fourth quarter of 1981 was 1 per cent above the third quarter figure. The provisional outcome for the year 1981 shows an increase of 3 per cent over investment in 1980.

Economic events

January

18 National Freight Company: the agreement was signed for management and staff to buy the company.

20 The Bank of England issued stricter guidelines on housing loans to banks and licensed deposit-takers.

22 The banks reduced base rates from 14¾ per cent to 14 per cent.

The Bank of England announced a third issue of index-linked stock.

26 An unemployment figure of over 3 million was announced. The Gower discussion paper on regulation of the securities industry was published.

It was announced that 441 quangos have been abolished or reduced in scale, and that another 109 were scheduled to be abolished or reduced.

28 The Employment Bill was introduced in the House of Commons, including provisions for compensation of non-union workers dismissed from closed shops in 1974 to 1980; to increase compensation for non-union workers dismissed from closed shops in future; and to expose trade union funds to suits for damages.

Selected monthly indicators[1]

	Seasonally adjusted				Unadjusted						Seasonally adjusted	
	1978 = 100	1975 = 100	Thousands		Jan. 1976 = 100	1975 = 100	Jan. 1974 = 100	Jan. 1978 = 100	1975 = 100	$ billion	£ million	
	Volume of retail sales (GB)[2,3] §	Index of Industrial production[4] §	Unemployment[5,6,8] §	Vacancies[7,8] §	Average earnings (whole economy: GB)[15]	Wholesale price of materials and fuel[9]	Retail price index (all items)	Tax and price index[10]	Sterling effective exchange rate	U.K. official reserves[11]	Balance of payments: Current balance[12]	Money stock sterling M_3
1980 O	104·5	101·5	1,892·9	100·0	190·7	201·4	271·9	137·3	99·2	28·0	+ 788	65,460
N	104·2	100·9	2,030·0	96·2	192·6	203·4	274·1	138·5	101·1	28·2	+ 691	66,260
D	103·9	100·4	2,136·6	98·8	196·6	205·1	275·6	139·4	100·2	27·5	+ 635	66,900
1981 J	108·1	98·9†	2,228·3	103·6	195·3	209·7	277·3	140·4	102·0	28·4	+1,183	67,310
F	106·1	99·8	2,304·1	98·2	196·9	214·0	279·8	141·9	102·5	28·4	+ 755	67,540
M	105·7	99·8	2,380·8	96·9	197·9	217·8	284·0	144·3	99·7	28·2	..	68,010
A	104·5	99·0	2,452·3	94·3	199·5	221·3	292·2	151·3	99·2	28·1	..	69,570
M	104·1	98·3	2,514·6	91·7	200·0	226·1	294·1	152·4	98·8	26·5	..	70,700
J	105·3	99·6	2,552·3	82·5	203·9	229·9	295·8	153·5	95·4	25·6	..	70,850
J	104·7	99·7	2,582·3[16]	91·7	205·3	233·0	297·1	154·2	92·5	24·6	..	72,380
A	105·7	99·7	2,626·4[16]	98·4	211·4	236·8	299·3	155·5	91·2	24·5	..	73,100
S	105·9	100·3	2,672·7[16]	96·9	212·1	237·9	301·0	156·6	88·0	23·7	+ 114	74,520
O	106·2	102·0	2,728·9[16]	98·6	213·4	238·2	303·7	158·2	88·2	23·3	+ 532	75,690[17]
N	105·6[14]	100·3	2,764·3	103·8	214·4	236·9†	306·9	160·1	90·1	23·5	+ 218†	83,170
D	104·6[14]	99·2	2,781·6	107·5	216·2[14]	236·8[14]	308·8	161·2	90·7	23·3	+ 498	83,330
1982 J	107[14]		2,828·9	114·2		238·7[14]	310·6	162·3	91·1	23·2		84,670
	Percentage change, latest three months on previous three months											
1981 A	+ 0·2	− 0·4	+11·6	− 3·1	+ 1·7	+ 5·6	+ 3·5	..	− 0·6	..	..	+ 2·3
M	− 1·0	− 0·8	+10·2	− 5·9	+ 1·5	+ 5·8	+ 4·5	..	− 2·4	..	..	+ 3·2
J	− 1·8	− 0·8	+ 8·8	−10·1	+ 2·3	+ 5·6	+ 4·9	..	− 3·6	..	..	+ 4·1
J	− 0·7	− 0·5	+ 7·2[16]	− 8·1	+ 2·5	+ 5·5	+ 3·6	..	− 4·9	..	..	+ 4·3
A	+ 0·4	+ 0·5	+ 5·6[16]	− 3·6	+ 3·9	+ 5·2	+ 2·5	..	− 6·3	..	..	+ 3·9
S	+ 0·7	+ 0·7	+ 4·8[16]	+ 6·9	+ 4·2	+ 4·5	+ 1·7	..	− 7·4	..	..	+ 4·2
O	+ 1·1[14]		+ 5·0[16]	+10·5	+ 4·5	+ 3·5	+ 1·9	..	− 6·8	..		+ 4·4[17]
N	+ 0·6[14]		+ 5·2	+ 9·8	+ 3·1	+ 1·9	+ 2·2	..	− 4·5	..		+ 7·9
D	− 0·1[14]		+ 5·0	+ 8·0	+ 2·4	+ 0·6[14]	+ 2·5	..	− 1·0	..		+10·1
1982 J	− 0·3[14]		+ 4·3	+10·8		− 0·1[14]	+ 2·5	..	+ 1·7			+12·5
	Percentage change, latest three months on corresponding period of previous year											
1981 A	+ 0·8	− 8·1	+68·2	−47·0	+15·0	+ 8·8	+12·4	+14·1	+ 7·1	..	..	+20·0
M	+ 0·5	− 7·8	+68·4	−45·1	+13·9	+10·3	+12·1	+14·8	+ 5·3	..	..	+20·3
J	+ 0·6	− 7·3	+67·3	−43·8	+13·0	+12·2	+11·7	+15·3	+ 3·5	..	..	+20·4
J	+ 0·7	− 6·7	+64·6[16]	−38·9	+12·4	+14·2	+11·3	+14·8	+ 1·2	..	..	+18·8
A	+ 0·8	− 5·3	+60·1[16]	−30·8	+12·3	+15·7	+11·2	+14·7	− 2·7	..	..	+16·9
S	+ 1·2	− 3·8	+54·6[16]	−20·2	+11·4	+16·9	+11·2	+14·7	− 6·3	..	..	+16·0
O	+ 1·6		+49·2[16]	−11·4	+11·3	+17·8	+11·5	+15·0	− 9·0	..		+15·8[17]
N	+ 1·8		+42·9	− 2·6	+10·8	+17·5	+11·7	+15·3	−10·6	..		+19·4
D	+ 1·1		+36·6	+ 5·1	+11·0[14]	+16·7[14]	+11·9	+15·5	−10·5	..		+21·9
1982 J	+ 0·3[14]		+31·0	+ 9·0		+15·2[14]	+12·0	+15·6	−10·4			+25·3

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit, as described on page 1151 of *Employment Gazette*, November 1979.
[7] Vacancies notified to employment offices.
[8] The seasonally adjusted series have been revised as described in the March 1980 *Employment Gazette*.
[9] Purchased by manufacturing industry.
[10] Described in an article in *Economic Trends* No. 310, August 1979.
[11] See footnote [2] on page 50.
[12] Owing to industrial action UK visible trade figures for March 1981 onwards are not currently available.
[13] See footnote [3] on page 40.
[14] Provisional.
[15] The seasonal adjustment factors have been recalculated on the basis of data up to December 1980 and previous figures have been amended accordingly.
[16] The recorded unemployment figures for July to October are overstated by about 20,000 (net) as a result of industrial action affecting the flow of information between benefit offices and employment offices. The seasonally adjusted total for the UK has been reduced to allow for this. No adjustment has been made to other unemployment figures.
[17] Up to and including 18 November 1981, changes have been calculated on the basis of the old banking sector; thereafter, changes have been calculated on the basis of the new monetary sector. The equivalent figures calculated on the old basis are: *N:* 75,970; *N:* +4·6, *D:* +6·8; *J:* +9·3; *N:* +15·7, *D:* +18·3; *J:* +21·7.

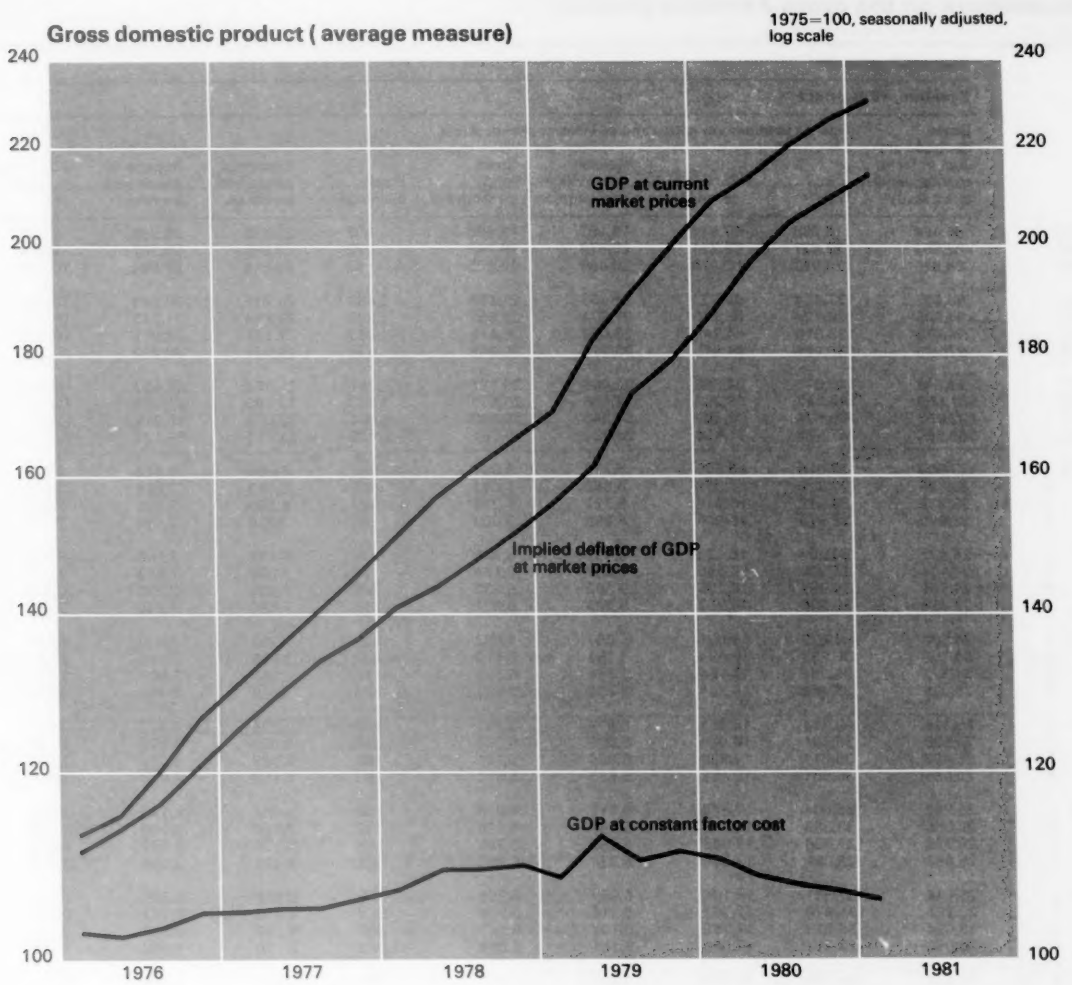
Tables and charts

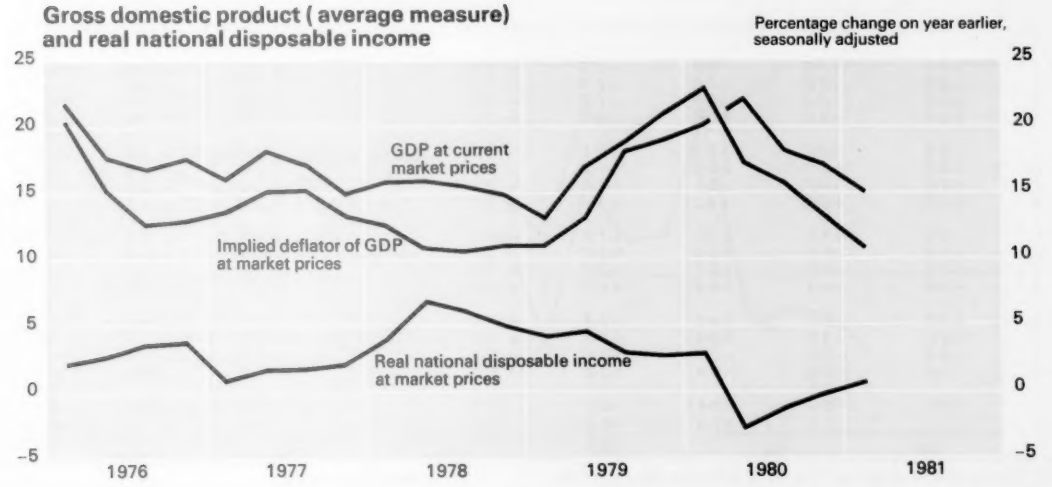
Gross domestic product at market prices and at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product at market prices[2]			Implied market price GDP deflator	Gross domestic product at factor cost						Implied index of total home costs	National disposable income at 1975 market prices
	At current prices		At 1975 prices		At current prices		At 1975 prices					
	£ billion	1975 =100	1975 =100		£ billion[3]		1975 =100				1975 =100	1975 =100
	Based on:				Based on:		Based on:				Based on:	
	expenditure data	average estimate	average estimate	average estimate	expenditure data	income data	expenditure data[5]	income data[4][5]	output data[5]	average estimate[5]	expenditure data	average estimate
1970	51·1	49·5	91·3	54·1	43·6	44·1	90·5	92·2	93·5	92·1	51·0	95·8
1971	57·3	55·0	93·0	59·1	49·5	49·1	92·8	92·7	94·9	93·4	56·5	97·7
1972	63·5	61·6	96·1	64·1	55·3	56·1	94·0	96·0	97·8	95·9	62·3	100·9
1973	73·0	70·6	103·0	68·5	64·3	65·4	101·2	103·7	103·5	102·8	67·3	105·9
1974	83·1	79·7	101·1	78·8	74·7	74·4	100·5	100·9	101·9	101·1	78·7	100·2
1975	104·9	100·0	100·0	100·0	94·5	93·8	100·0	100·0	100·0	100·0	100·0	100·0
1976	124·7	118·0	102·9	114·7	111·6	109·9	103·7	102·9	101·9	102·8	113·9	102·5
1977	143·9	137·2	104·9	130·7	126·9	126·4	105·0	105·4	104·6	105·0	127·9	103·8
1978	164·9	157·9	108·9	145·0	145·3	146·0	107·8	109·1	108·0	108·3	142·6	109·1
1979	192·3	184·9	110·9	166·7	166·5	168·0	109·0	110·8	110·3	110·0	161·7	112·4
1980	225·2	215·7	108·6	198·6	193·1	194·2	106·9	108·3	107·2	107·5	191·3	111·5
1976 *1*	29·9	112·4	101·9	110·3	26·7	26·1	103·7	102·0	100·6	102·1	109·0	101·9
2	30·2	114·6	101·8	112·5	27·2	26·7	102·4	101·6	101·4	101·8	112·4	
3	31·6	119·3	103·0	115·7	28·3	27·9	103·9	103·2	101·7	103·0	115·2	103·2
4	33·0	125·7	104·7	120·0	29·4	29·2	104·7	104·7	103·8	104·4	119·0	
1977 *1*	34·0	130·1	104·2	124·9	30·3	30·3	104·1	104·6	104·5	104·4	123·5	102·8
2	35·4	134·9	104·5	129·1	31·2	31·2	104·8	105·7	103·9	104·8	125·9	
3	36·5	139·5	104·8	133·1	32·1	32·1	104·5	105·3	104·5	104·8	130·0	104·8
4	38·0	144·1	106·2	135·6	33·3	32·8	106·8	106·1	105·2	106·0	132·2	
1978 *1*	39·6	150·1	107·1	140·1	35·0	34·5	107·2	106·3	106·2	106·6	138·3	108·0
2	40·7	155·8	109·1	142·7	35·9	36·1	108·3	109·7	108·1	108·7	140·4	
3	41·7	160·6	109·5	146·7	36·8	37·3	107·6	109·8	108·8	108·7	144·9	110·3
4	42·9	165·0	109·8	150·2	37·6	38·1	108·2	110·8	108·8	109·3	146·9	
1979 *1*	44·0	169·1	109·1	155·0	38·4	38·7	107·1	108·9	108·4	108·1	151·9	112·1
2	47·1	181·7	112·9	161·0	41·0	41·6	110·3	112·7	112·1	111·7	157·3	
3	49·5	190·0	110·1	172·6	42·7	42·8	108·9	110·1	110·0	109·7	166·0	112·7
4	51·7	198·7	111·6	178·1	44·4	44·9	109·6	111·6	110·6	110·6	171·4	
1980 *1*	53·9	207·1	111·3	186·1	46·1	46·4	108·6	110·1	109·7	109·5	179·7	111·6
2	55·1	212·5	108·2	196·5	47·3	48·1	106·6	109·2	108·1	108·0	188·0	
3	57·4	219·0	107·5	203·7	49·5	49·3	106·2	106·6	106·3	106·4	197·3	111·4
4	58·8	224·2	107·6	208·4	50·2	50·4	106·1	107·3	104·7	106·0	200·5	
1981 *1*	59·9	227·7	106·9	213·0	51·0	50·7	105·6	105·8	104·2	105·2	204·4	..
2[6]	..	..	..	..	..	51·7	..	105½[6]	103·8	..	209[6]	
3[6]	..	..	..	..	..	53·8	..	106[6]	104·5	..	216[6]	
Percentage change, period on corresponding period of previous year												
1978 *1*	+16·3	+15·4	+2·8	+12·2	+15·4	+13·8	+3·0	+1·6	+1·6	+2·1	+12·0	+5·1
2	+15·1	+15·5	+4·4	+10·5	+15·2	+15·7	+3·3	+3·8	+4·0	+3·7	+11·5	
3	+14·3	+15·1	+4·5	+10·2	+14·7	+16·2	+3·0	+4·3	+4·1	+3·7	+11·5	+5·2
4	+12·8	+14·5	+3·4	+10·8	+12·7	+16·1	+1·3	+4·4	+3·5	+3·1	+11·1	
1979 *1*	+11·2	+12·7	+1·9	+10·6	+ 9·7	+12·4	−0·1	+2·4	+2·1	+1·4	+ 9·8	+3·8
2	+15·7	+16·6	+3·5	+12·8	+14·1	+15·2	+1·8	+2·7	+3,7	+2·8	+12·0	
3	+18·7	+18·3	+0·5	+17·7	+16·0	+15·0	+1·2	+0·3	+1·0	+0·9	+14·6	+2·2
4	+20·5	+20·4	+1·6	+18·6	+18·2	+17·5	+1·3	+0·7	+1·6	+1·2	+16·7	
1980 *1*	+22·6	+22·5	+2·0	+20·1	+20·0	+19·7	+1·4	+1·1	+1·3	+1·3	+18·3	−0·4
2	+16·9	+17·0	−4·2	+22·1	+15·5	+15·8	−3·4	−3·1	−3·6	−3·3	+19·5	
3	+15·9	+15·3	−2·4	+18·0	+16·0	+15·1	−2·4	−3·2	−3·4	−3·0	+18·9	−1·2
4	+13·7	+12·8	−3·6	+17·0	+13·2	+12·4	−3·2	−3·9	−5·3	−4·2	+17·0	
1981 *1*	+11·1	+ 9·9	−4·0	+14·5	+10·7	+ 9·3	−2·8	−3·9	−5·0	−3·9	+13·7	..
2	..	..	..	..	..	+ 7·5	..	−3[6]	−3·9	..	+11[6]	
3	..	..	..	..	..	+ 9·1	..	−1[6]	−1·7	..	+10[6]	

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] For details of these new series see Introduction.
[3] Figures in £ million are given on page 14.
[4] Income data deflated by the implied index of total home costs.
[5] Expenditure-based estimates of the gross domestic product are not available for those quarters owing to the absence of overseas trade statistics.
[6] Estimated.


Gross domestic product (average measure)
1975=100, seasonally adjusted, log scale
240
220
200
180
160
140
120
100
GDP at current market prices
Implied deflator of GDP at market prices
GDP at constant factor cost
1976
1977
1978
1979
1980
1981


Gross domestic product (average measure) and real national disposable income
Percentage change on year earlier, seasonally adjusted
25
20
15
10
5
0
–5
GDP at current market prices
Implied deflator of GDP at market prices
Real national disposable income at market prices
1976
1977
1978
1979
1980
1981

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1975 prices

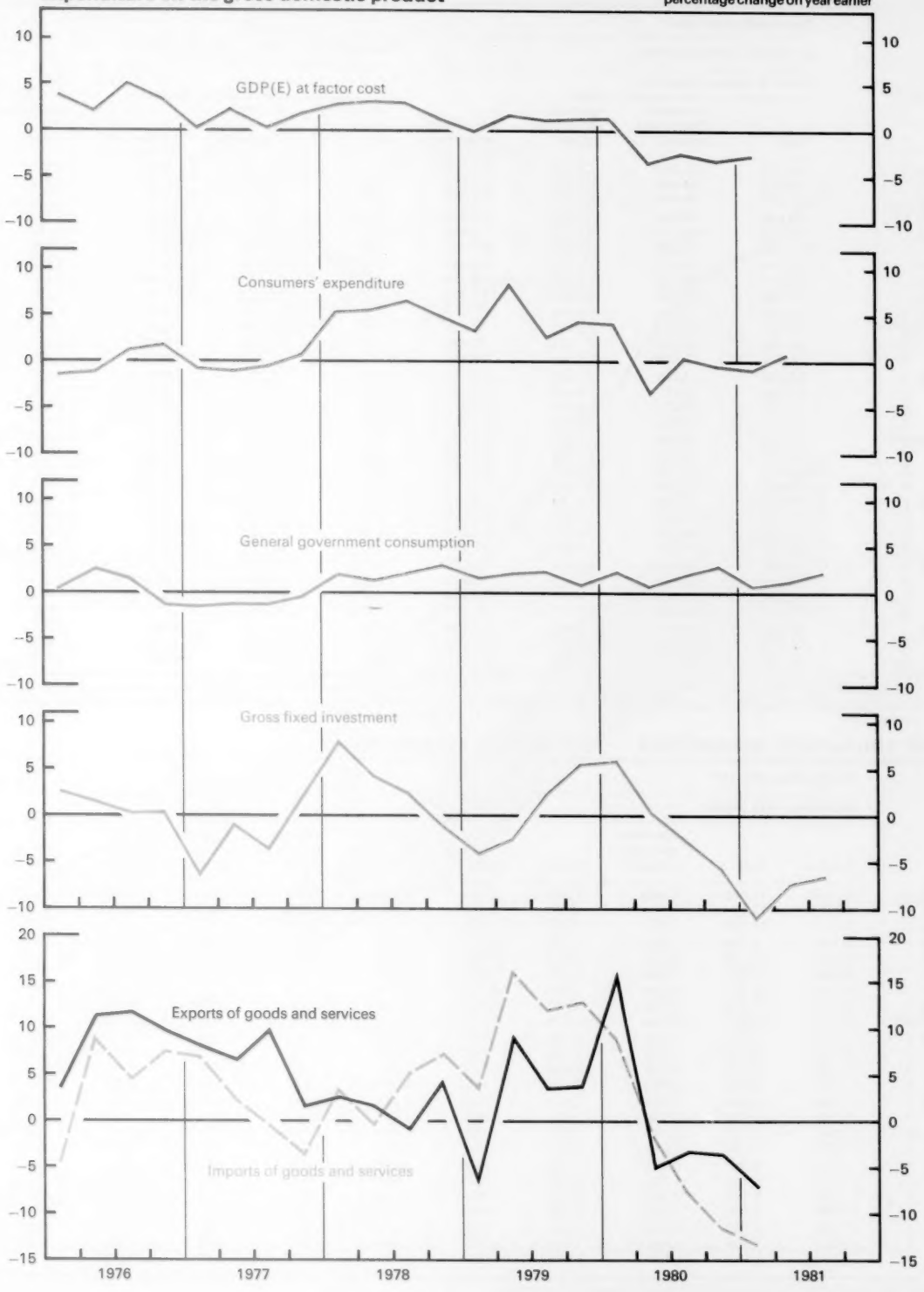
	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices							
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§	Exports of goods and services§	Imports of goods and services§	Adjustment to factor cost
1970	85,484	118,668	57,814	19,103	19,460	802	21,576	23,938	9,167
1971	87,654	122,427	59,724	19,673	19,743	278	23,048	25,187	9,514
1972	88,815	126,923	63,270	20,484	19,823	− 19	23,318	27,694	10,243
1973	95,635	137,494	66,332	21,453	21,195	2,483	26,031	30,941	10,918
1974	94,905	136,724	65,113	21,774	20,567	1,386	27,884	31,243	10,576
1975	94,475	133,918	64,749	23,039	20,416	−1,483	27,197	29,011	10,432
1976	97,948	138,966	64,815	23,213	20,649	624	29,665	30,232	10,786
1977	99,240	140,673	64,583	22,948	20,161	1,387	31,594	30,559	10,874
1978	101,869	145,522	68,222	23,435	20,836	833	32,196	31,758	11,895
1979	102,957	150,674	71,409	23,840	20,898	1,504	33,023	35,319	12,398
1980	100,965	147,531	71,454	24,331	20,761	−2,128	33,113	34,127	12,439
1975 *1*	23,560	33,618	16,365	5,776	5,097	− 519	6,899	7,416	2,642
2	23,678	33,329	16,379	5,682	5,092	− 466	6,642	7,026	2,625
3	23,338	33,298	16,045	5,722	5,218	− 337	6,650	7,375	2,585
4	23,899	33,673	15,960	5,859	5,009	− 161	7,006	7,194	2,580
1976 *1*	24,487	34,204	16,123	5,791	5,226	− 78	7,142	7,108	2,609
2	24,174	34,509	16,190	5,837	5,164	− 76	7,394	7,668	2,667
3	24,551	34,967	16,235	5,802	5,232	263	7,435	7,710	2,706
4	24,736	35,286	16,267	5,783	5,027	515	7,694	7,746	2,804
1977 *1*	24,580	34,839	16,001	5,697	4,882	537	7,722	7,600	2,659
2	24,762	35,252	16,034	5,764	5,112	457	7,885	7,844	2,646
3	24,673	35,094	16,154	5,734	5,035	10	8,161	7,667	2,754
4	25,225	35,488	16,394	5,753	5,132	383	7,826	7,448	2,815
1978 *1*	25,316	36,113	16,854	5,819	5,271	245	7,924	7,872	2,925
2	25,585	36,331	16,939	5,838	5,327	207	8,020	7,800	2,946
3	25,403	36,517	17,230	5,855	5,161	188	8,083	8,076	3,038
4	25,565	36,561	17,199	5,923	5,077	193	8,169	8.010	2,986
1979 *1*	25,292	36,504	17,389	5,917	5,058	738	7,402	8,143	3,069
2	26,056	38,353	18,358	5,961	5,196	82	8,756	9,082	3,215
3	25,716	37,736	17,698	5,988	5,281	395	8,374	9,042	2,978
4	25,893	38,081	17,964	5,974	5,363	289	8,491	9,052	3,136
1980 *1*	25,644	37,831	18,104	6,057	5,356	− 223	8,537	8,865	3,322
2	25,171	36,970	17,702	6,016	5,205	− 263	8,310	8,927	2,872
3	25,094	36,513	17,762	6,107	5,141	− 587	8,090	8,337	3,082
4	25,056	36,217	17,886	6,151	5,059	−1,055	8,176	7,998	3,163
1981 *1*	24,938	35,780	17,956	6,097	4,761	− 968	7,934	7,656	3,186
2[2]	..	..	17,872	6,088	4,820	− 888	..	..	2,923
3[2]	..	..	17,760	6,239	4,798	− 147	..	..	3,012
	Percentage change, quarter on corresponding period of previous year								
1977 *1*	*+0·4*	*+1·9*	*−0·8*	*−1·6*	*− 6·6*	..	*+ 8·1*	*+ 6·9*	*+ 1·9*
2	*+2·4*	*+2·2*	*−1·0*	*−1·3*	*− 1·0*	..	*+ 6·6*	*+ 2·3*	*− 0·8*
3	*+0·5*	*+0·4*	*−0·5*	*−1·2*	*− 3·8*	..	*+ 9·8*	*− 0·6*	*+ 1·8*
4	*+2·0*	*+0·6*	*+0·8*	*−0·5*	*+ 2·1*	..	*+ 1·7*	*− 3·8*	*+ 0·4*
1978 *1*	*+3·0*	*+3·7*	*+5·3*	*+2·1*	*+ 8·0*	..	*+ 2·6*	*+ 3·6*	*+10·0*
2	*+3·3*	*+3·1*	*+5·6*	*+1·3*	*+ 4·2*	..	*+ 1·7*	*− 0·6*	*+11·3*
3	*+3·0*	*+4·1*	*+6·7*	*+2·1*	*+ 2·5*	..	*− 1·0*	*+ 5·3*	*+10·3*
4	*+1·3*	*+3·0*	*+4·9*	*+3·0*	*− 1·1*	..	*+ 4·4*	*+ 7·5*	*+ 6·1*
1979 *1*	*−0·1*	*+1·1*	*+3·2*	*+1·7*	*− 4·0*	..	*− 6·6*	*+ 3·4*	*+ 4·9*
2	*+1·8*	*+5·6*	*+8·4*	*+2·1*	*− 2·5*	..	*+ 9·2*	*+16·4*	*+ 9·1*
3	*+1·2*	*+3·3*	*+2·7*	*+2·3*	*+ 2·3*	..	*+ 3·6*	*+12·0*	*− 2·0*
4	*+1·3*	*+4·2*	*+4·4*	*+0·9*	*+ 5·6*	..	*+ 3·9*	*+13·0*	*+ 5·0*
1980 *1*	*+1·4*	*+3·6*	*+4·1*	*+2·4*	*+ 5·9*	..	*+15·3*	*+ 8·9*	*+ 8·2*
2	*−3·4*	*−3·6*	*−3·6*	*+0·9*	*+ 0·2*	..	*− 5·1*	*− 1·7*	*−10·7*
3	*−2·4*	*−3·2*	*+0·4*	*+2·0*	*− 2·7*	..	*− 3·4*	*− 7·8*	*+ 3·5*
4	*−3·2*	*−4·9*	*−0·4*	*+3·0*	*− 5·7*	..	*− 3·7*	*−11·6*	*+ 0·9*
1981 *1*	*−2·8*	*−5·4*	*−0·8*	*+0·7*	*−11·1*	..	*− 7·1*	*−13·6*	*− 4·1*
2	..	..	*+1·0*	*+1·2*	*− 7·4*	..	..	..	*+ 1·8*
3	..	..	—	*+2·2*	*− 6·7*	..	..	..	*− 2·3*

[1] For years up to and including 1972, totals differ from the sum of the components because of the method used to rebase on 1975 prices.

[2] See footnote [5] on page 6.

Expenditure on the gross domestic product

1975 prices, seasonally adjusted
percentage change on year earlier



Personal disposable income and consumption

Seasonally adjusted

	£ million, current prices				Percentage	1975 prices		
	Personal income before tax							
	Total[1]	*of which:* Wages and salaries	Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4] £ million §	Real personal disposable income[4] 1975=100	Real consumers' expenditure § £ million
1972	54,673	33,312	44,679	40,183	10·1	70,349	95·2	63,270
1973	63,652	38,430	51,911	45,759	11·9	75,250	101·9	66,332
1974	75,567	45,478	60,051	52,668	12·3	74,241	100·5	65,113
1975	95,880	58,932	73,880	64,749	12·4	73,880	100·0	64,749
1976	110,652	66,161	84,832	74,952	11·6	73,359	99·3	64,815
1977	124,032	73,379	96,360	86,001	10·8	72,362	97·9	64,583
1978	143,470	83,971	113,761	98,947	13·0	78,436	106·2	68,222
1979	170,261	98,376	136,852	116,717	14·7	83,728	113·3	71,409
1980	201,089	117,145	160,925	135,403	15·9	84,922	114·9	71,454
1976 *1*	26,459	15,821	20,358	17,771	12·7	18,467	100·0	16,123
2	27,087	16,314	20,412	18,326	10·2	18,030	97·6	16,190
3	28,109	16,785	21,743	18,956	12·8	18,619	100·8	16,235
4	28,997	17,241	22,319	19,899	10·8	18,243	98·8	16,267
1977 *1*	29,988	17,775	22,963	20,425	11·1	17,992	97·4	16,001
2	30,364	18,071	23,180	21,180	8·6	17,551	95·0	16,034
3	31,267	18,450	24,423	21,847	10·5	18,062	97·8	16,154
4	32,413	19,083	25,794	22,549	12·6	18,757	101·6	16,394
1978 *1*	33,662	19,796	26,287	23,735	9·7	18,676	101·1	16,854
2	35,508	20,786	27,762	24,339	12·3	19,332	104·7	16,939
3	36,441	21,336	29,260	25,197	13·9	20,019	108·4	17,230
4	37,859	22,053	30,452	25,676	15·7	20,409	110·5	17,199
1979 *1*	39,363	22,948	31,497	26,632	15·4	20,577	111·4	17,389
2	41,472	23,947	32,852	28,998	11·7	20,810	112·7	18,358
3	43,364	25,097	34,834	29,758	14·6	20,729	112·2	17,698
4	46,062	26,384	37,669	31,329	16·8	21,612	117·0	17,964
1980 *1*	47,280	27,531	38,057	32,673	14·1	21,095	114·2	18,104
2	49,698	28,992	39,617	33,329	15·9	21,049	114·0	17,702
3	51,394	30,099	41,111	34,184	16·9	21,369	115·7	17,762
4	52,717	30,523	42,140	35,217	16·4	21,409	115·9	17,886
1981 *1*	53,000	30,751	42,489	35,999	15·3	21,193	114·7	17,956
2	54,521	31,290	43,075	37,164	13·7	20,715	112·2	17,872
3	56,028	32,014	44,128	37,827	14·3	20,718	112·2	17,760

[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal income revalued by the implied consumers' expenditure deflator (1975 =100).

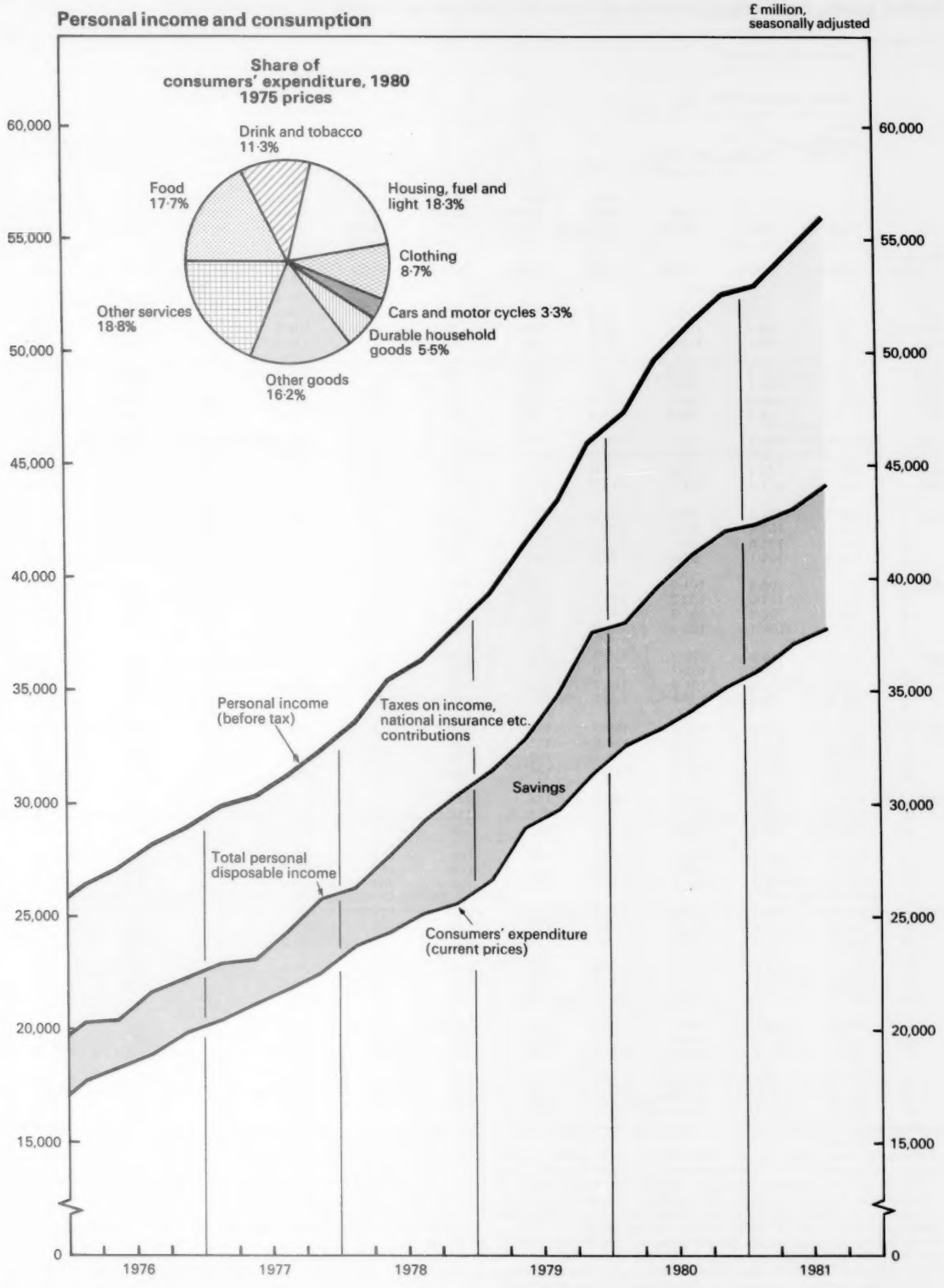
Real consumers' expenditure — component categories

Seasonally adjusted

£ million, 1975 prices

	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1972	63,270	11,988	6,960	8,917	2,854	4,964	2,986	2,811	9,956	11,964
1973	66,332	12,181	7,694	9,181	2,930	5,183	3,396	2,668	10,760	12,339
1974	65,113	12,091	7,777	9,081	2,984	5,109	3,269	2,033	10,840	11,929
1975	64,749	12,058	7,604	9,221	2,914	5,166	3,232	2,135	10,635	11,784
1976	64,815	12,155	7,591	9,238	2,887	5,194	3,419	2,222	10,734	11,375
1977	64,583	11,994	7,546	9,406	2,959	5,232	3,215	2,009	10,856	11,366
1978	68,222	12,331	8,059	9,693	3,013	5,716	3,531	2,401	11,392	12,086
1979	71,409	12,575	8,306	10,091	3,179	6,100	3,999	2,596	11,550	13,013
1980	71,454	12,651	8,052	10,024	3,073	6,247	3,956	2,381	11,606	13,464
1978 *1*	16,854	3,091	1,984	2,400	729	1,363	843	620	2,792	3,032
2	16,939	3,042	1,984	2,392	766	1,414	876	615	2,838	3,012
3	17,230	3,106	2,039	2,430	772	1,471	900	625	2,888	2,999
4	17,199	3,092	2,052	2,471	746	1,468	912	541	2,874	3,043
1979 *1*	17,389	3,074	2,020	2,512	828	1,448	922	565	2,864	3,156
2	18,358	3,146	2,128	2,525	805	1,584	1,152	785	2,954	3,279
3	17,698	3,188	2,077	2,510	782	1,485	923	561	2,857	3,315
4	17,964	3,167	2,081	2,544	764	1,583	1,002	685	2,875	3,263
1980 *1*	18,104	3,201	2,102	2,496	769	1,605	1,006	648	2,912	3,365
2	17,702	3,180	1,946	2,493	737	1,565	976	601	2,853	3,351
3	17,762	3,120	1,981	2,507	767	1,530	974	589	2,900	3,394
4	17,886	3,150	2,023	2,528	800	1,547	1,000	543	2,941	3,354
1981 *1*	17,956	3,128	2,035	2,510	724	1,575	1,016	559	3,006	3,403
2	17,872	3,108	1,844	2,501	773	1,598	1,013	585	2,980	3,470
3	17,760	3,110	1,871	2,503	755	1,539	971	558	2,980	3,473

[1] For the years before 1973 the total differs from the sum of the components because of the method of rebasing to 1975 prices.


Personal income and consumption
£ million, seasonally adjusted
Share of consumers' expenditure, 1980 1975 prices
Drink and tobacco 11·3%
Housing, fuel and light 18·3%
Clothing 8·7%
Cars and motor cycles 3·3%
Durable household goods 5·5%
Other goods 16·2%
Other services 18·8%
Food 17·7%
Personal income (before tax)
Taxes on income, national insurance etc. contributions
Savings
Total personal disposable income
Consumers' expenditure (current prices)
60,000
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
0
1976
1977
1978
1979
1980
1981

Retail sales, new registrations of cars and consumer credit (Great Britain)

	Seasonally adjusted										
	Weekly average 1976 =100							Thousands[1]	£ million		
	Value of retail sales[2]	Volume of retail sales[2]							Consumer credit	Hire purchase and other credit business[4]	
	Total[3]	Total[3]	Food retailers[3]	Mixed retail businesses[3]	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars[5]	Change in total outstanding	New credit extended	Change in amounts outstanding[5]
Sale in 1976 £ million	33,616	33,616	11,369	9,045	3,384	4,745	5,073				
1970	..	..	..	..	..	..	..	91·4	..	1,767	+ 92
1971	49·7	94·0	116·4	73·3	101	79	90	108·5	..	2,036	+ 251
1972	55·7	98·7	115·6	81·5	105	89	98	138·6	..	2,466	+ 438
1973	63·2	103·1	112·0	90·2	106	101	105	137·1	..	2,846	+ 444
1974	73·2	101·9	110·0	91·6	103	99	104	102·8	..	2,508	− 164
1975	87·1	100·1	104·2	95·7	101	97	101	98·0	..	2,981	− 13
1976	100·0	100·0	100·0	100·0	100	100	100	105·4	511	3,586	+ 343
1977	114·2	98·3	98·0	99·6	95	101	97	108·3	883	4,392	+ 625
1978	131·0	103·8	98·3	107·1	106	111	103	129·2	1,733	6,010	+1,491
1979	153·2	108·6	102·0	110·8	111	122	106	138·9	2,049	7,346	+1,780
1980	174·3	109·3	102·8	111·6	112	119	109	120·6	2,115	7,739†	+1,093†
1981	191·4	111·4	101·2	114·9	113	124	114			7,814	+ 611
1978 *1*	123·7	101·3	98·5	103·5	101	105	100	126·6	449	1,418	+ 446
2	128·1	102·4	97·2	105·7	103	109	102	127·2	374	1,501	+ 382
3	134·3	105·5	98·1	110·2	109	114	103	135·5	443	1,532	+ 329
4	138·0	106·1	99·4	109·0	110	115	106	127·6	467	1,559	+ 334
1979 *1*	141·0	105·8	101·0	107·0	108	116	103	131·3	436	1,635	+ 369
2	154·1	113·0	103·3	105·4	114	134	110	172·9	565	1,877	+ 483
3	154·7	106·6	101·3	108·7	108	116	104	111·1	545†	1,875	+ 472
4	163·1	109·1	102·4	112·0	115	120	105	140·3	502	1,959	+ 456
1980 *1*	168·9	110·2	103·2	113·7	115	120	108	139·3	482	2,049	+ 536
2	173·5	109·2	103·7	111·0	111	118	109	114·2	580	1,964	+ 270
3	176·0	108·9	101·5	110·7	112	119	110	116·6	647	1,933	+ 222
4	179·2	109·0	102·6	110·7	111	119	109	112·1	406	1,793	+ 65
1981 *1*	187·6	112·7	103·2	116·5	115	124	115	119·4†[6]	691	1,880†	+ 125†
2	190·4	111·3	101·6	114·6	111	125	114	116·0	613	1,935	+ 88
3	192·0	110·4	100·2	113·4	113	123	115	118·2	730	2,019	+ 175
4	196·9	111·1	99·9	118·1	115	124	114	128·1		1,980	+ 223
1980 *J*	175·0	108·5	101·1	109·5	114	119	109	85·0	..	663	+ 106
A	176·8	109·6	101·8	112·0	117	118	110	133·6	..	613	+ 54
S	176·3	108·5	101·6	110·5	107	120	111	131·2	..	657	+ 62
O	179·0	109·7	103·1	111·3	113	119	111	108·5	..	629	+ 76
N	179·2	109·2	102·5	112·2	108	119	111	115·7	..	559	− 44
D	179·4	108·4	102·3	109·1	113	120	107	112·1	..	605	+ 34
1981 *J*	188·4	114·0	102·6	119·9	116	126	117	116·2	..	618†	+ 23
F	187·8	112·9	102·9	116·6	115	125	116	111·9	..	637	+ 87
M	186·9	111·4	103·9	113·6	114	123	112	130·2	..	625	+ 14†
A	189·1	111·4	102·0	117·1	114	117	116	127·5	..	655	+ 26
M	189·8	110·6	101·3	112·7	110	126	113	116·5	..	608	+ −3
J	191·8	111·7	101·4	114·2	109	130	114	103·9	..	672	+ 65
J	189·5	109·7	99·0	113·4	112	123	113	94·8	..	657	+ 55
A	192·7	111·0	99·6	113·8	117	123	117	140·4	..	657	+ 62
S	193·5	110·6	101·6	113·1	110	123	115	119·5	..	705	+ 58
O	197·3	112·0	100·5	116·2	118	124	114	128·6	..	681	+ 88
N	197·0	111·0	99·9	114·6	108	125	118	134·6	..	642	+ 52
D	196·8	110·4	99·4	114·6	118	123	111	121·2		657	+ 83

[1] Monthly averages.

[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.

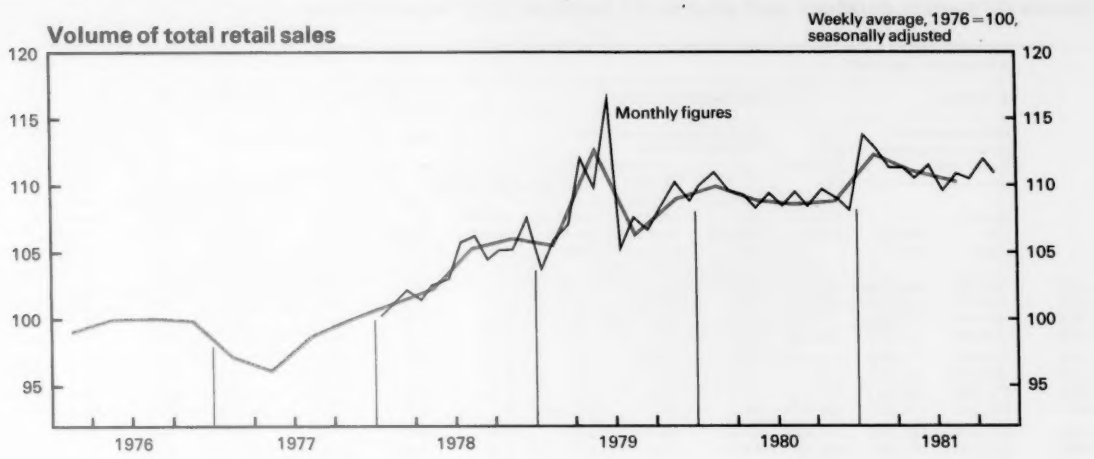
[3] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

[4] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108–109 of *Economic Trends* No. 311, September 1979). There is a break in the series between 1977 and 1978 due to a change in coverage. For details see *Trade and Industry*, 12 April 1979.

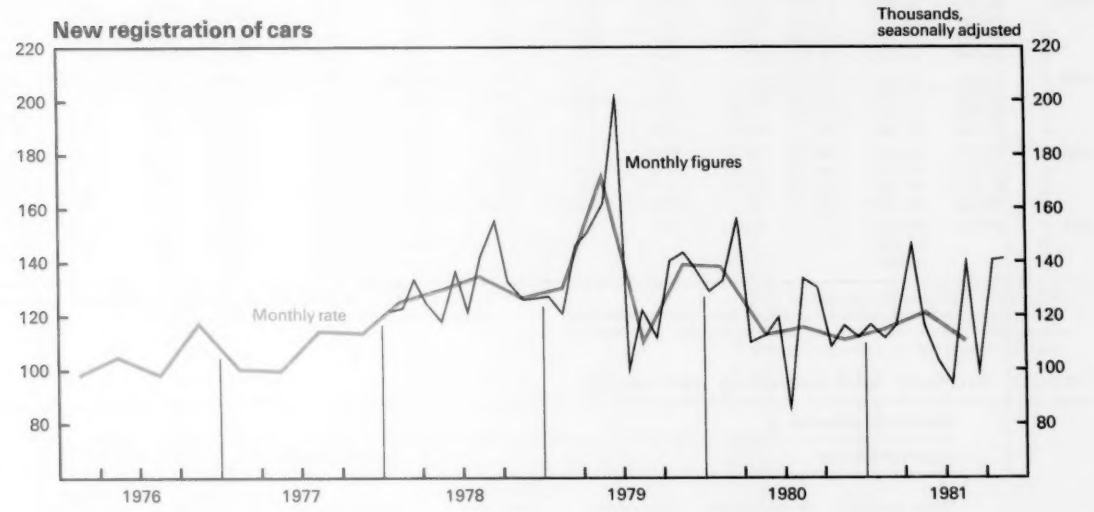
[5] Including further interest payments due over the whole period of the loans.

[6] Some of the figures in the 1981 series have been revised as some monthly counts of new registrations in Great Britain were distorted. In particular the counts for April, October and November were too high, and the counts for March and September too low.

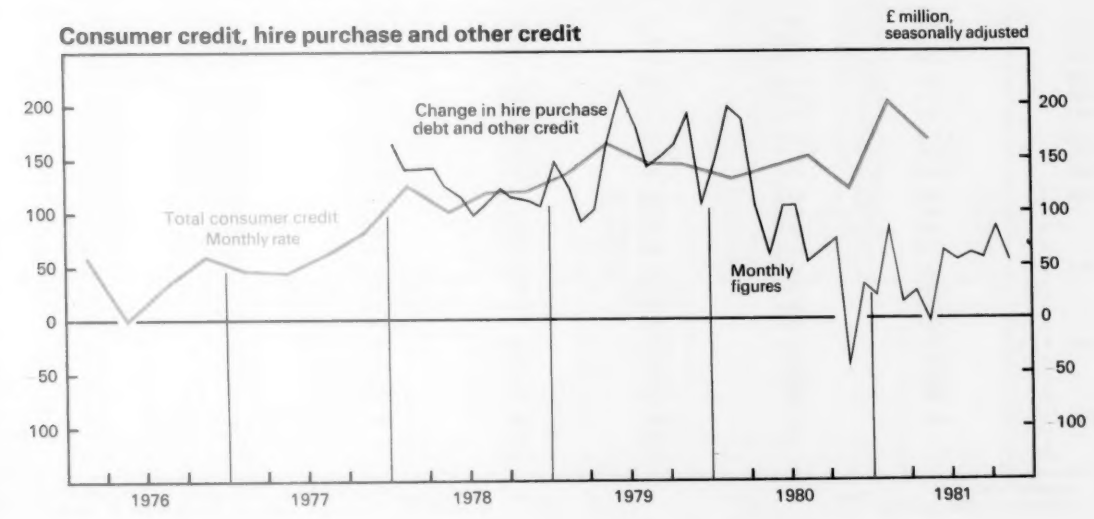
Volume of total retail sales



New registration of cars



Consumer credit, hire purchase and other credit



Gross domestic product and shares of income and expenditure

Seasonally adjusted

	£ million			Per cent						£ million	Per cent		
	Gross domestic product at current factor cost		Total final expenditure (current market prices)	Percentage share of total final expenditure							Percentage share of total domestic income		
						Gross fixed investment							
	Expenditure based	Income based		Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1970	43,574	44,071	62,254	51·0	14·4	3·9	2·7	8·6	18·6	45,132	67·7	13·4	18·9
1971	49,490	49,058	69,532	51·2	14·7	3·7	2·7	8·8	18·7	50,113	66·8	13·8	19·4
1972	55,347	56,071	77,233	52·0	15·1	3·5	2·3	9·2	17·8	57,371	66·0	14·1	19·9
1973	64,347	65,423	92,058	49·7	14·5	4·0	2·3	9·2	18·7	68,258	64·1	15·1	20·8
1974	74,661	74,398	110,512	47·7	15·0	4·0	2·6	8·7	20·9	80,192	65·2	14·3	20·5
1975	94,475	93,755	133,918	48·4	17·2	3·7	2·9	8·6	20·3	99,128	68·8	12·1	19·1
1976	111,585	109,880	161,572	46·4	16·6	3·3	2·9	8·3	21·9	116,297	66·7	13·4	19·9
1977	126,943	126,417	186,513	46·1	15·7	2·6	2·6	8·7	23·4	131,267	65·5	14·5	20·0
1978	145,304	145,965	210,437	47·0	15·7	2·2	2·4	9·6	22·7	150,264	65·5	14·4	20·1
1979	166,464	168,001	246,931	47·3	15·5	2·0	2·3	9·6	22·3	176,650	65·3	14·8	19·9
1980	193,136	194,198	283,040	47·8	17·1	1·9	2·4	9·8	22·3	200,675	68·3	11·8	19·9
1978 *1*	35,016	34,460	50,567	46·9	15·6	2·3	2·3	9·6	22·4	35,201	66·1	14·1	19·8
2	35,931	36,093	51,933	46·9	15·6	2·2	2·4	9·7	22·8	37,310	65·2	14·7	20·1
3	36,797	37,257	53,385	47·2	15·6	2·2	2·3	9·5	22·7	38,302	65·3	14·5	20·2
4	37,560	38,155	54,552	47·1	15·8	2·1	2·4	9·5	22·8	39,451	65·6	14·1	20·3
1979 *1*	38,406	38,748	56,129	47·4	15·7	2·1	2·4	9·4	20·9	40,420	66·5	13·0	20·5
2	40,993	41,575	60,985	47·6	15·2	1·9	2·2	9·5	23·4	43,671	64·4	15·4	20·2
3	42,679	42,831	63,406	46·9	15·7	2·1	2·3	9·5	22·3	45,318	65·0	15·4	19·6
4	44,386	44,847	66,411	47·2	15·4	2·0	2·2	9·9	22·6	47,241	65·4	15·2	19·4
1980 *1*	46,071	46,374	69,099	47·3	15·9	1·9	2·3	9·9	23·0	48,906	65·8	14·6	19·6
2	47,327	48,131	70,273	47·4	16·5	1·9	2·5	9·6	22·6	49,797	68·2	12·3	19·5
3	49,512	49,287	71,378	47·9	17·7	1·9	2·5	9·8	21·8	50,505	69·7	10·3	20·0
4	50,226	50,406	72,290	48·7	18·1	2·0	2·4	9·8	21·9	51,467	69·4	10·0	20·6
1981 *1*	50,978	50,672	72,838	49·4	18·1	1·8	2·4	9·3	21·7	51,986	69·3	10·2	20·5
2[3]	..	51,743	..	..	..	..	..	..	..	53,236	69·1	10·5	20·4
3[3]	..	53,803	..	..	..	..	..	..	..	55,141	68·2	11·3	20·5

[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.
[3] It has not been possible to produce complete estimates for this quarter owing to the absence of overseas trade statistics.

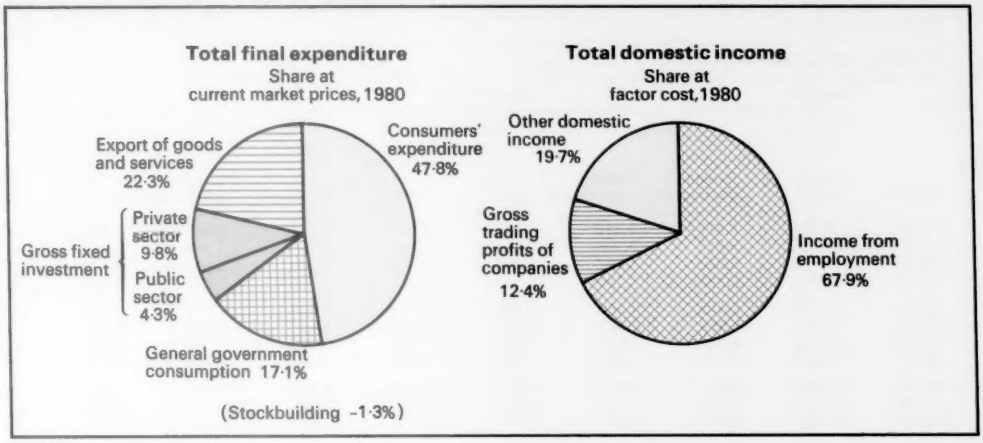
Income, product and spending *per capita*

Seasonally adjusted

	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1,2]	Consumers' expenditure	Personal disposable income
1972	1,000	991	719	800	1,590	1,132	1,259
1973	1,172	1,149	817	927	1,708	1,185	1,344
1974	1,358	1,333	940	1,072	1,694	1,163	1,325
1975	1,701	1,688	1,157	1,320	1,688	1,157	1,320
1976	2,018	1,994	1,339	1,516	1,750	1,158	1,311
1977	2,272	2,270	1,538	1,723	1,775	1,155	1,294
1978	2,610	2,599	1,770	2,035	1,822	1,220	1,403
1979	2,991	2,975	2,086	2,446	1,840	1,276	1,497
1980	3,448	3,450	2,419	2,875	1,804	1,276	1,517
1978 *1*	627	626	425	470	453	302	334
2	647	643	435	497	458	303	346
3	661	658	451	523	454	308	358
4	674	672	459	545	457	308	365
1979 *1*	694	687	476	563	452	311	368
2	734	733	518	587	466	328	372
3	769	763	532	623	460	316	370
4	794	793	560	673	463	321	386
1980 *1*	821	823	584	680	458	323	377
2	845	845	595	708	450	316	376
3	884	884	611	734	448	317	382
4	898	897	629	753	447	319	382
1981 *1*	916	910	643	756	445	321	377
2[3]	..	..	663	766	..	319	369
3[3]	..	..	675	788	..	317	370

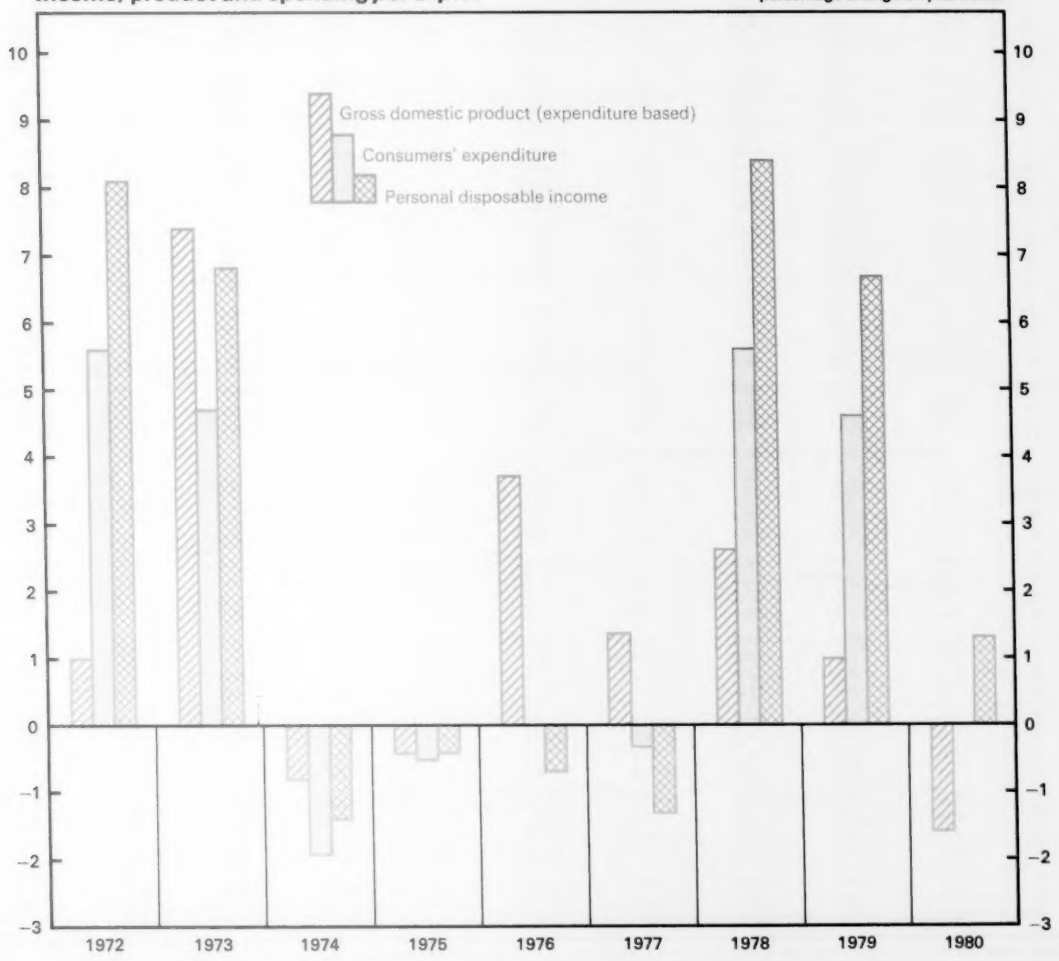
[1] At factor cost.
[2] Based on expenditure data.
[3] Expenditure–based estimates of the gross domestic product are not available for this quarter owing to the absence of overseas trade statistics.

Shares of income and expenditure



Income, product and spending *per capita*

1975 prices, percentage change on year earlier



Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

		Sector[2]			Type of asset					
					Dwellings					
						of which:		Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
	Total§	Private sector	General government	Public corporations	Total	Private	Public			
1970	19,460	10,685	5,475	3,316	3,850	2,047	1,879	7,655	1,819	6,365
1971	19,743	11,099	5,297	3,334	4,091	2,440	1,733	7,781	1,882	6,264
1972	19,823	11,776	5,076	2,932	4,309	2,745	1,609	7,607	2,148	6,055
1973	21,195	12,266	5,794	3,135	4,152	2,449	1,703	7,852	2,416	6,775
1974	20,567	11,583	5,418	3,566	3,826	2,004	1,822	7,469	2,303	6,969
1975	20,416	11,512	4,984	3,920	4,149	2,182	1,967	7,560	2,041	6,666
1976	20,649	11,768	4,836	4,045	4,265	2,180	2,085	7,545	2,018	6,821
1977	20,161	12,436	4,027	3,698	3,908	2,039	1,869	7,089	2,149	7,015
1978	20,836	13,789	3,572	3,475	4,067	2,327	1,740	7,008	2,225	7,536
1979	20,898	14,126	3,332	3,440	3,556	1,975	1,581	6,727	2,379	8,236
1980	20,761	14,327	2,932	3,502	3,129	1,711	1,418	6,467	2,392	8,773
1975 *1*	5,097	2,901	1,236	960	1,007	538	469	1,855	563	1,672
2	5,092	2,851	1,306	935	1,080	566	514	1,832	487	1,693
3	5,218	3,027	1,171	1,020	988	544	444	2,040	472	1,718
4	5,009	2,733	1,271	1,005	1,074	534	540	1,833	519	1,583
1976 *1*	5,226	2,840	1,282	1,104	1,098	568	530	1,946	496	1,686
2	5,164	2,913	1,239	1,012	1,056	533	523	1,927	502	1,679
3	5,232	3,109	1,176	947	1,074	566	508	1,961	507	1,690
4	5,027	2,906	1,139	982	1,037	513	524	1,711	513	1,766
1977 *1*	4,882	2,877	1,091	914	933	440	493	1,756	518	1,675
2	5,112	3,170	1,004	938	985	513	472	1,855	542	1,730
3	5,035	3,142	974	919	990	542	448	1,733	536	1,776
4	5,132	3,247	958	927	1,000	544	456	1,745	553	1,834
1978 *1*	5,271	3,471	949	851	1,088	629	459	1,749	588	1,846
2	5,327	3,533	902	892	1,029	600	429	1,823	567	1,908
3	5,161	3,404	886	871	1,014	556	458	1,722	551	1,874
4	5,077	3,381	835	861	936	542	394	1,714	519	1,908
1979 *1*	5,058	3,367	833	858	851	461	390	1,675	584	1,948
2	5,196	3,528	809	859	881	496	385	1,628	647	2,040
3	5,281	3,531	876	874	883	477	406	1,732	593	2,073
4	5,363	3,700	814	849	941	541	400	1,692	555	2,175
1980 *1*	5,356	3,708	768	880	896	494	402	1,664	629	2,167
2	5,205	3,533	750	922	795	431	364	1,580	617	2,213
3	5,141	3,546	726	869	770	428	342	1,597	556	2,218
4	5,059	3,540	688	831	668	358	310	1,626	590	2,175
1981 *1*	4,761	3,332	608	821	629	381	248	1,556	439	2,137
2	4,820	3,418	537	865	587	345	242	1,509	518	2,206
3	4,798	3,583	441	774	600	380	220	1,565	467	2,166
	Percentage change, quarter on corresponding quarter of previous year									
1976 *1*	*2·5*	*— 2·1*	*3·7*	*15·0*	*5·0*	*5·6*	*13·0*	*4·9*	*—11·9*	*0·8*
2	*1·4*	*2·2*	*— 5·1*	*8·3*	*— 2·2*	*— 5·8*	*1·8*	*5·2*	*3·1*	*— 0·8*
3	*0·3*	*2·7*	*0·4*	*— 7·2*	*8·7*	*4·0*	*14·4*	*— 3·9*	*7·4*	*— 1·6*
4	*0·4*	*6·3*	*—10·4*	*— 2·3*	*— 3·4*	*— 3·9*	*— 3·0*	*— 6·6*	*— 1·2*	*11·5*
1977 *1*	*— 6·6*	*1·3*	*—14·9*	*—17·2*	*—15·0*	*—22·5*	*— 7·0*	*— 9·8*	*4·4*	*— 0·7*
2	*— 1·0*	*8·8*	*—18·9*	*— 7·3*	*— 6·7*	*— 3·8*	*— 9·7*	*— 3·7*	*8·0*	*3·0*
3	*— 3·8*	*1·1*	*—17·2*	*— 3·0*	*— 7·8*	*— 4·2*	*—11·8*	*—11·6*	*5·7*	*5·1*
4	*2·1*	*11·7*	*—15·9*	*— 5·6*	*— 3·6*	*6·0*	*—13·0*	*2·0*	*7·8*	*3·9*
1978 *1*	*8·0*	*20·7*	*—13·0*	*— 6·9*	*16·6*	*42·9*	*— 6·9*	*— 0·4*	*13·5*	*10·2*
2	*4·2*	*11·5*	*—10·2*	*— 4·9*	*4·5*	*17·0*	*— 9·1*	*— 1·7*	*4·6*	*10·3*
3	*2·5*	*8·3*	*— 9·1*	*— 5·2*	*2·4*	*2·6*	*2·2*	*— 0·6*	*2·8*	*5·5*
4	*— 1·1*	*4·1*	*—12·8*	*— 7·1*	*— 6·4*	*— 0·4*	*—13·6*	*— 1·8*	*— 6·1*	*4·1*
1979 *1*	*— 4·0*	*— 3·0*	*—12·2*	*0·8*	*—21·8*	*—26·7*	*—15·0*	*— 4·2*	*— 0·7*	*5·6*
2	*— 2·4*	*— 0·1*	*—10·3*	*— 3·7*	*—14·4*	*—17·3*	*—10·3*	*—10·7*	*14·1*	*6·9*
3	*2·3*	*3·7*	*— 1·2*	*0·4*	*—12·9*	*—14·2*	*—11·3*	*0·6*	*7·6*	*10·6*
4	*5·6*	*9·4*	*— 2·5*	*— 1·4*	*0·5*	*— 0·2*	*1·5*	*— 1·3*	*7·0*	*14·0*
1980 *1*	*5·9*	*10·1*	*— 7·8*	*2·6*	*5·3*	*7·2*	*3·1*	*— 0·7*	*7·7*	*11·2*
2	*0·2*	*0·2*	*— 7·3*	*7·3*	*— 9·8*	*—13·1*	*— 5·4*	*— 2·9*	*— 4·7*	*8·5*
3	*— 2·7*	*0·4*	*—17·1*	*— 0·6*	*—12·8*	*—10·3*	*—15·8*	*— 7·8*	*— 6·2*	*7·0*
4	*— 5·7*	*— 4·3*	*—15·5*	*— 2·1*	*—29·0*	*—33·8*	*—22·5*	*— 3·9*	*6·3*	*—*
1981 *1*	*—11·1*	*—10·1*	*—20·8*	*— 6·7*	*—29·8*	*—22·9*	*—38·3*	*— 6·5*	*—30·2*	*— 1·4*
2	*— 7·4*	*— 3·3*	*—28·4*	*— 6·2*	*—26·1*	*—19·9*	*—33·5*	*— 4·5*	*—16·1*	*— 0·3*
3	*— 6·7*	*1·0*	*—39·3*	*—10·9*	*—22·1*	*—11·2*	*—35·7*	*— 2·0*	*—16·0*	*— 2·3*

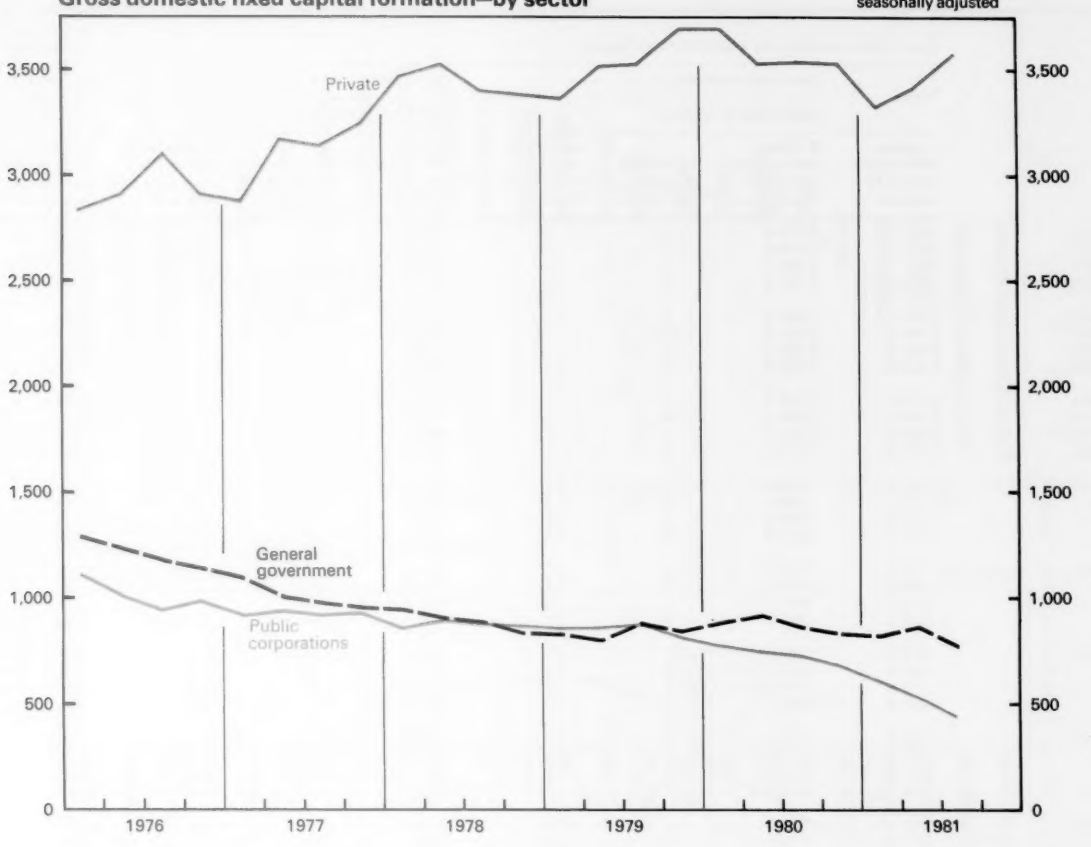
[1] For the years before 1973, totals may not equal the sum of their components, because of the method used in rebasing to 1975 prices.

[2] Including purchases *less* sales of land and existing buildings.

[3] Including transfer costs of land and buildings.

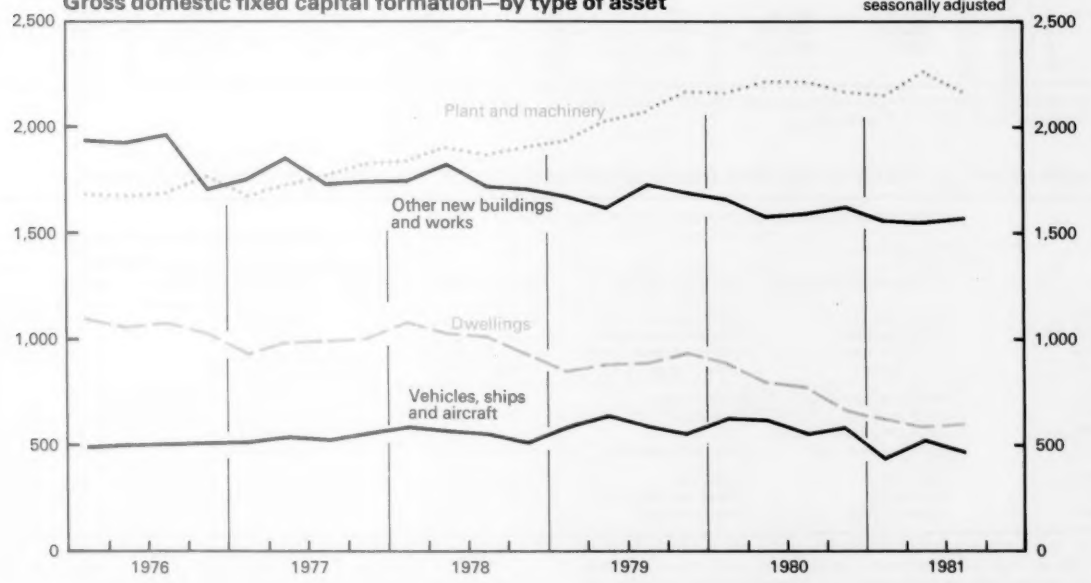
Gross domestic fixed capital formation—by sector

£ million, 1975 prices, seasonally adjusted



Gross domestic fixed capital formation—by type of asset

£ million, 1975 prices, seasonally adjusted



Indicators of fixed investment by manufacturing industry

		Gross fixed investment by manufacturing industry							New orders received by contractors for private industrial work (GB)
		Total§	Plant and machinery			New building and works			
			Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
		£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1969		3,877·0	2,679·5	*+ 4*	..	973·6	*+16*	..	1,507
1970		4,177·0	2,974·2	*+11*	..	980·8	*+ 1*	..	1,410
1971		3,897·7	2,795·3	*− 6*	..	880·4	*−10*	..	1,012
1972		3,370·4	2,420·4	*−13*	..	710·6	*−19*	..	1,003
1973		3,439·8	2,505·3	*+ 4*	..	674·4	*− 5*	..	1,287
1974		3,781·8	2,821·3	*+13*	..	686·9	*+ 2*	..	1,076
1975		3,521·9	2,682·1	*− 5*	..	639·9	*− 7*	..	684
1976		3,325·8	2,584·5	*− 4*	..	503·5	*−21*	..	797
1977		3,475·5	2,649·2	*+ 3*	..	550·4	*+ 9*†	..	955
1978		3,769·4	2,884·4	*+ 9*	..	622·4	*+13*	..	998
1979		3,968·8	3,053·3	*+ 6*	..	642·7	*+ 3*	..	1,009
1980		3,577·3	2,811·0	*− 8*		535·7	*−17*		854
1976	*1*	806·6	619·9	*−13*	10	133·2	*−24*	−12	181
	2	827·0	642·7	*− 6*	15	124·5	*−26*	− 9	190
	3	840·3	655·0	*+ 2*	25	124·1	*−20*	− 3	192
	4	851·9	666·9	*+ 4*	26	121·7	*−13*	1	234
1977	*1*	830·6	630·5	*+ 2*	29	132·5	*− 1*	4	215
	2	864·0	653·3	*+ 2*	31	139·5	*+12*	—	256
	3	876·0	671·0	*+ 2*	23	137·7	*+11*	− 4	244
	4	904·9	694·4	*+ 4*	21	140·7	*+16*	− 3	240
1978	*1*	919·9	701·8	*+11*	21	146·9	*+11*	− 4	277
	2	958·4	737·6	*+13*	18	153·7	*+10*	− 7	254
	3	939·6	714·8	*+ 7*	13	156·8	*+14*	−15	256
	4	951·5	730·2	*+ 5*	10	165·0	*+17*	−11	211
1979	*1*	989·8	754·0	*+ 7*	12	170·3	*+16*	− 7	239
	2	987·9	761·2	*+ 3*	12	158·2	*+ 3*	− 6	257
	3	987·0	759·9	*+ 6*	8	161·0	*+ 3*	− 9	244
	4	1,004·1	778·2	*+ 7*	− 9	153·2	*− 7*	−20	269
1980	*1*	958·6	754·2	—	−18	136·4	*−20*	−30	221
	2	917·9	718·9	*− 6*	−18	140·1	*−11*	−31	222
	3	892·7	701·8	*− 8*	−43	134·3	*−17*	−47	204
	4	808·1	636·1	*−18*	−46	124·9	*−18*	−49	206
1981	*1*	781·2	607·9	*−19*	−38	134·4	*− 1*	−46	157
	2	760·8†	605·5†	*−16*†	−30	113·1†	*−19*	−40	172
	3	707·9	570·2	*−19*	−23	92·3	*−31*	−35	231
	4				−13			−33	

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

[2] Provisional.

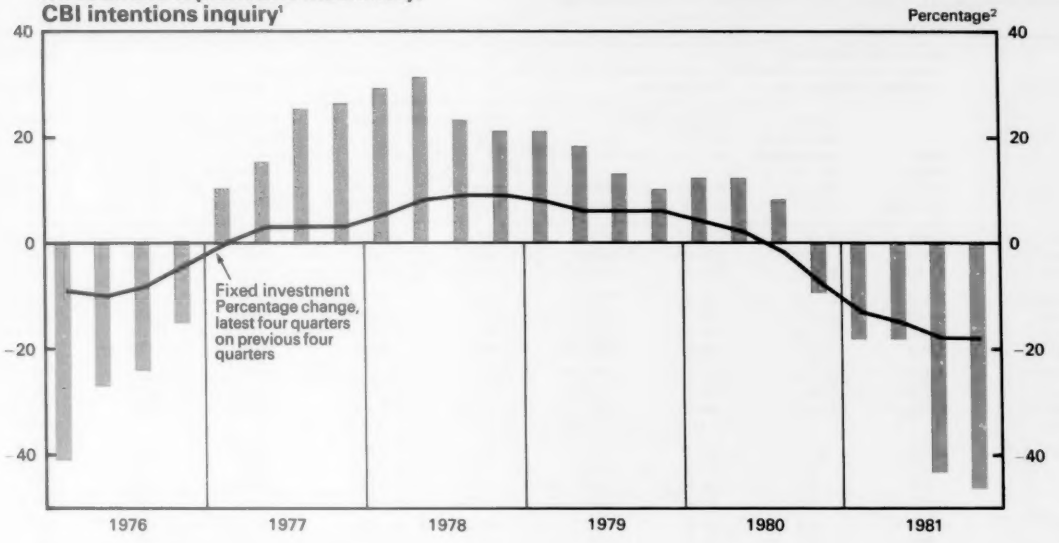
Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms				
	Gross fixed investment				
	First December Forecast	First June Forecast	Second December Forecast	Second June Forecast	Actual
1972	Little change	Little change	About −3	About −3	−13·5
1973	Might be a rise	No specific comment	+2 to +5	About +5	+ 2·1
1974	Strong increase	Strong increase	some +12 to +14	About +5	+ 9·9
1975	Little change	Little change	−7 to −10	Of order of −15	− 6·9
1976	Further reduction	Little change	−5 to −8	−6 (5 to 8)	− 5·6
1977	Large increase	Of order of +15	+10 to +15	+6 to +10	+ 4·5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+ 8·5
1979	Rise, less than +8	Rise, less than +8	+4 to +8	+2 to +5	+ 5·3
1980	Slight fall	Slight fall	−6 to −10	−8 to −12	− 9·9
1981	Further fall	Fall of up to 8 to 12	−15 to −20	−15 to −18	
1982	Some recovery	Some recovery			

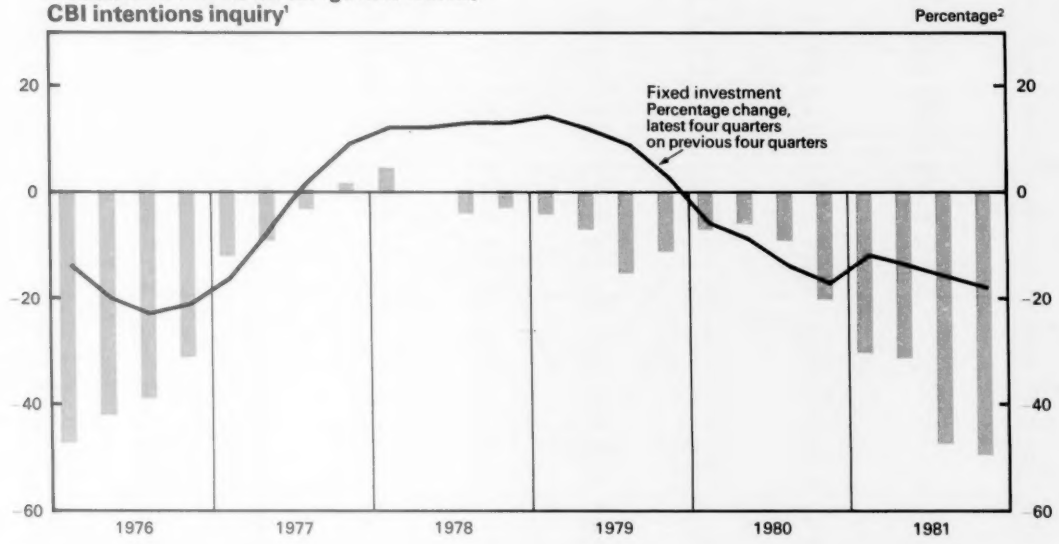
[1] The frequency and timing of these inquiries has been altered from 1980 and this has necessitated a change in the columns of the table. The summer forecasts which previously appeared have been discontinued and the table now gives information for all the remaining inquiries.

An article, "Investment intentions survey: 1968 to 1979", published in *British business* on 24 September 1980 describes these alterations and expands the table to include all the inquiries. A similar table is included for the inquiries into the distributive and service industries.

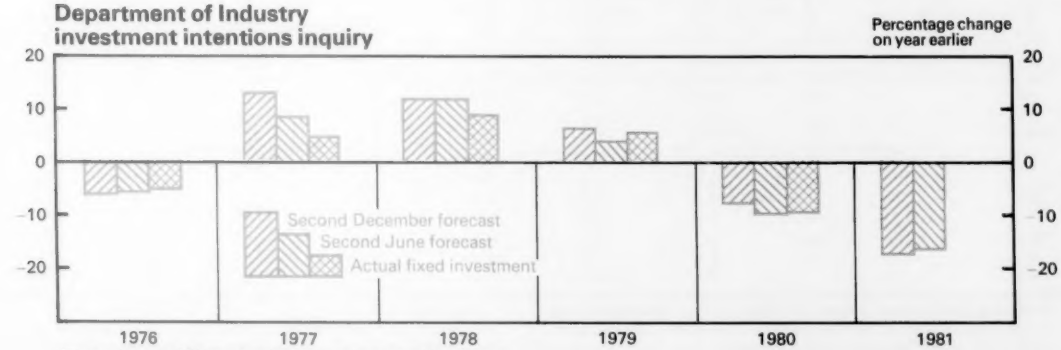
Investment in plant and machinery, CBI intentions inquiry[1]



Investment in new buildings and works, CBI intentions inquiry[1]



Department of Industry investment intentions inquiry



[1] The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

[2] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1975 prices		Thousands				£ million		1975 =100
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)[5]	Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		Average price of new dwellings: mortgages approved[1]
			Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	
1971	4,091	3,147	207·4	136·9	191·6	158·9	840	713	48·1
1972	4,309	3,507	228·0	123·0	196·5	122·8	964	862	63·3
1973	4,152	3,320	215·7	112·8	186·6	107·5	816	903	86·2
1974	3,826	2,224	105·9	146·1	140·9	128·6	704	700	91·4
1975	4,149	2,663	149·1	173·8	150·8	162·3	994	945	100·0[2]
1976	4,265	2,712	154·7	170·8	152·2	163·0	1,119	1,125	108·4
1977	3,908	2,214	134·8	132·1	140·8	162·5	1,261	1,175	119·0
1978	4,067	2,316	157·3	107·4	149·0	130·8	1,523	1,503	142·6
1979	3,556	1,901	144·0	81·2	140·4	104·0	1,498	1,519	183·2
1980	3,129	1,322	98·0	56·0	126·6	106·9	1,444	1,406	219·6
1981			117·0[3]	36·2[3]	113·7[3]	85·2[3]			224·9
1976 *1*	1,098	813	42·0	49·8	39·4	40·6	293	261	104·3
2	1,056	703	42·0	44·3	37·8	42·4	295	294	107·9
3	1,074	627	39·3	44·3	38·3	41·5	272	291	110·3
4	1,037	569	31·4	32·4	36·7	38·5	259	279	111·5
1977 *1*	933	514	29·9	30·3	33·8	37·5	246	259	112·7
2	985	558	34·7	32·7	36·0	40·3	298	269	116·6
3	990	552	35·3	34·6	34·8	41·8	326	308	120·5
4	1,000	590	34·9	34·5	36·5	42·9	391	339	124·5
1978 *1*	1,088	606	35·5	27·2	37·8	33·8	421	380	130·5
2	1,029	586	39·6	30·0	38·1	33·4	369	403	138·0
3	1,014	586	38·3	26·0	35·8	32·4	354	355	148·2
4	936	538	43·9	24·2	37·3	31·4	379	365	157·6
1979 *1*	851	444	28·0	18·2	31·2	23·2	381	375	166·1
2	881	499	35·5	20·9	33·8	25·3	378	384	178·2
3	883	512	38·1	19·9	32·9	24·8	378	389	190·6
4	941	446	42·4	22·2	42·5	30·7	361	371	201·8
1980 *1*	896	402	30·1	18·2	34·3	27·8	351	363	211·1
2	795	331	25·2	14·2	31·5	27·1	338	339	219·3
3	770	297	21·4	13·2	31·2	26·9	369	340	223·4
4	668	292	21·3	10·4	29·6	25·1	386	364	225·1
1981 *1*	629	321	32·4†	8·8†	30·2†	27·8†	384	379	228·7[4]
2	587	285	28·4	8·4	26·0	23·0	378	377	229·6
3	600	285	29·8	8·8	28·9	19·0	327	350	224·5
4			26·4[3]	10·2[3]	28·6[3]	15·4[3]			215·0
1979 *O*	..	154	14·3	5·3	12·4	9·1	125	132	199·1
N	..	142	14·0	6·7	13·9	9·9	121	123	202·6
D	..	150	14·1	10·2	16·2	11·7	115	116	204·4
1980 *J*	..	130	10·3	5·8	11·4	9·4	115	122	208·3
F	..	141	10·7	6·7	11·7	9·1	115	121	209·1
M	..	131	9·1	5·7	11·2	9·3	121	120	215·0
A	..	119	8·7	4·6	10·5	8·1	123	112	217·7
M	..	117	8·8	5·5	10·3	9·1	111	111	221·2
J	..	95	7·7	4·1	10·7	9·9	104	116	218·9
J	..	98	7·5	4·3	10·7	9·1	124	112	222·2
A	..	104	7·5	4·2	10·5	9·0	121	116	223·1
S	..	95	6·4	4·7	10·0	8·7	124	112	224·9
O	..	96	6·8	3·7	10·0	8·6	119	118	224·7
N	..	96	8·1	3·8	10·2	8·4	128	120	225·0
D	..	100	6·4	2·9	9·4	8·1	139	126	225·6
1981 *J*	..	89	10·9†	3·2	10·3†	8·3†	112	122	225·6[4]
F	..	126	12·1	3·0	10·2	10·5	135	131	229·5
M	..	107	9·4	2·6†	9·7	9·0	137	126	230·5
A	..	89	8·5	2·8	8·6	7·9	129	127	231·3
M	..	112	10·5	2·8	8·9	7·5	121	121	230·1
J	..	84	9·4	2·8†	8·5	7·6	128	129	227·5
J	..	93	9·5	2·6	8·9	6·3	106	117	229·2
A	..	91	10·9	2·8	10·2	6·6	107	118	224·4
S	..	101	9·4	3·4	9·8	6·1	114	115	220·1
O		126[3]	9·1[3]	3·3[3]	9·9[3]	5·8[3]	102	111	217·1
N		92[3]	9·9[3]	4·2[3]	10·0[3]	5·6[3]	110	116	213·3
D			7·4[3]	2·7[3]	8·7[3]	4·0[3]	117	116	214·3

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.

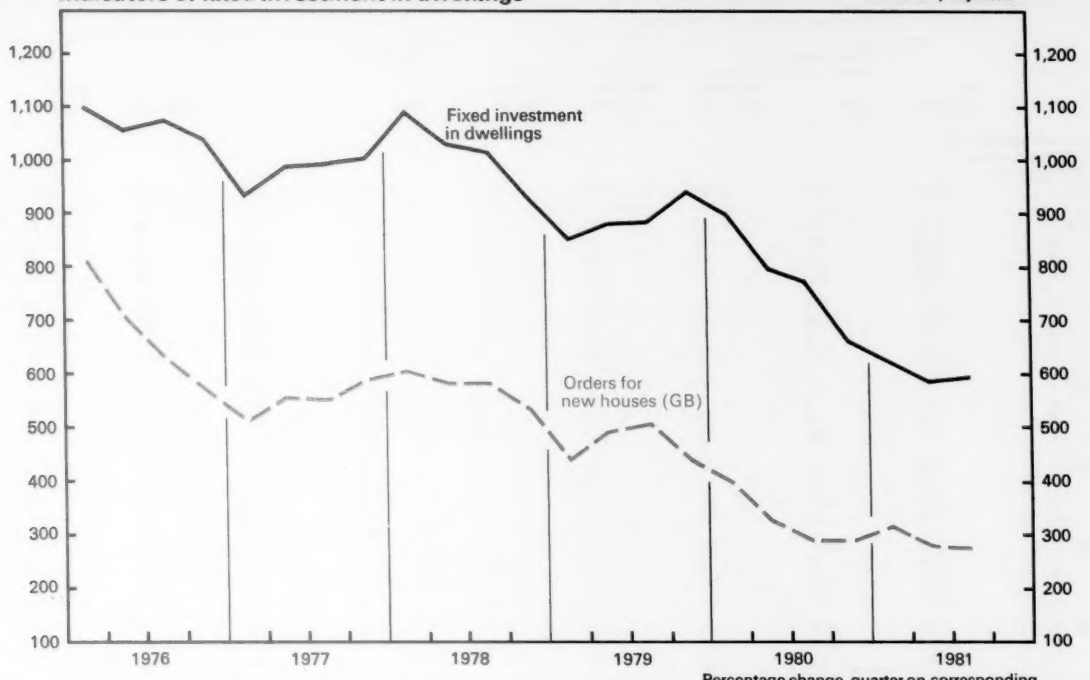
[3] Provisional.

[4] Figures are based on a new return introduced in January 1981.

[5] The discontinuity in the series arose because a register with more up to date information has been used since the June inquiry.

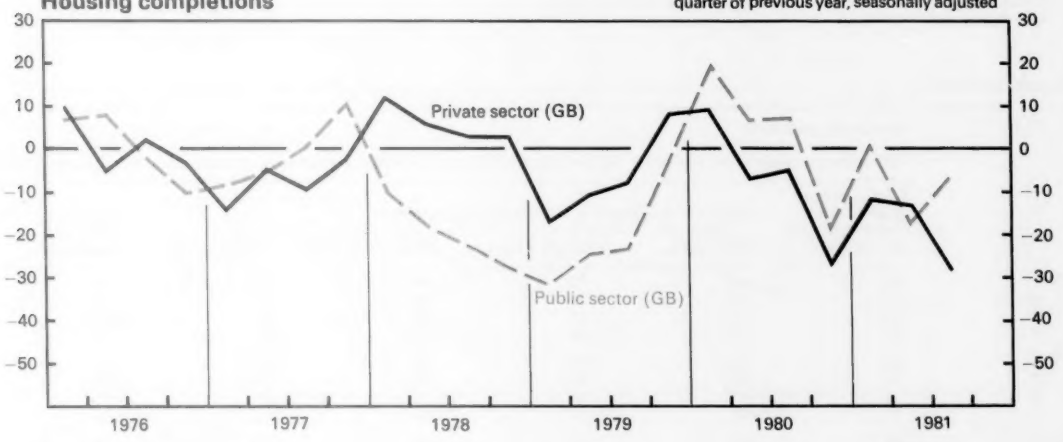
Indicators of fixed investment in dwellings

£ million, 1975 prices
seasonally adjusted



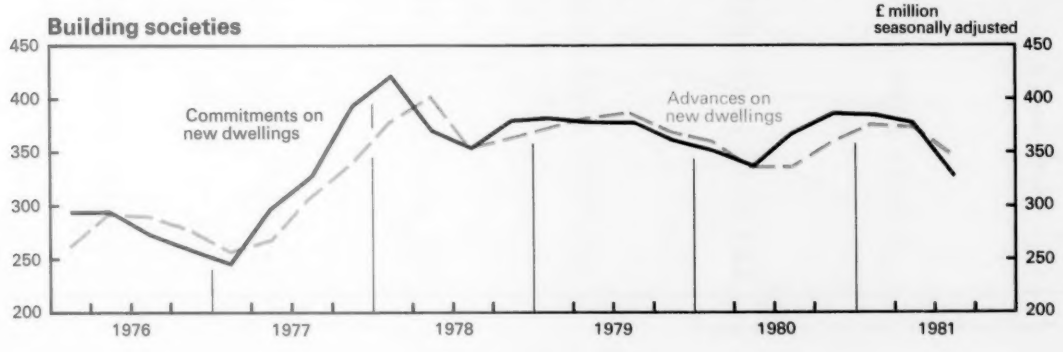
Housing completions

Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted



Building societies

£ million
seasonally adjusted



Stock changes

£ million, 1975 prices, seasonally adjusted

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December 1980[2]	35,000	18,956	6,621	6,824	5,511	8,395	3,958	4,437	7,649
1976 *1*	− 78	− 54	− 63	13	− 4	61	41	20	− 85
2	− 76	− 68	− 62	44	− 50	− 14	− 17	3	6
3	263	132	91	68	− 27	199	129	70	− 68
4	515	353	62	140	152	113	75	38	49
1977 *1*	537	287	142	125	20	215	112	103	35
2	457	205	− 12	35	181	261	25	236	− 9
3	10	3	7	− 34	30	− 76	− 36	− 40	83
4	383	145	11	120	14	84	− 29	113	154
1978 *1*	245	151	52	51	49	66	32	34	28
2	207	− 4	− 17	− 32	45	91	139	− 48	120
3	188	41	17	− 13	37	101	80	21	46
4	193	140	50	157	− 66	55	77	− 22	− 2
1979 *1*	738	− 14	− 48	− 47	82	136	61	75	616
2	82	47	48	64	− 65	210	59	151	−175
3	395	202	11	67	123	13	86	− 73	180
4	289	− 24	−101	−135	212	172	147	25	141
1980 *1*	−223	−221	−207	− 49	35	−212	− 97	−115	210
2	−263	− 9	− 72	− 44	107	−211	−132	− 79	− 43
3	−587	−302	−202	− 43	− 57	− 91	20	−111	−194
4	−1,055	−720	−258	−192	−271	−115	− 8	−107	−220
1981 *1*	−968	−522	−149	−158	−216	115	120	− 5	−561
2	−888	−378	−157	− 70	−150	−177	− 84	− 93	−333
3	−147	− 94	− 86	11	− 19	− 3	86	− 89	− 50

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

[2] Unadjusted 1975 price stock levels.

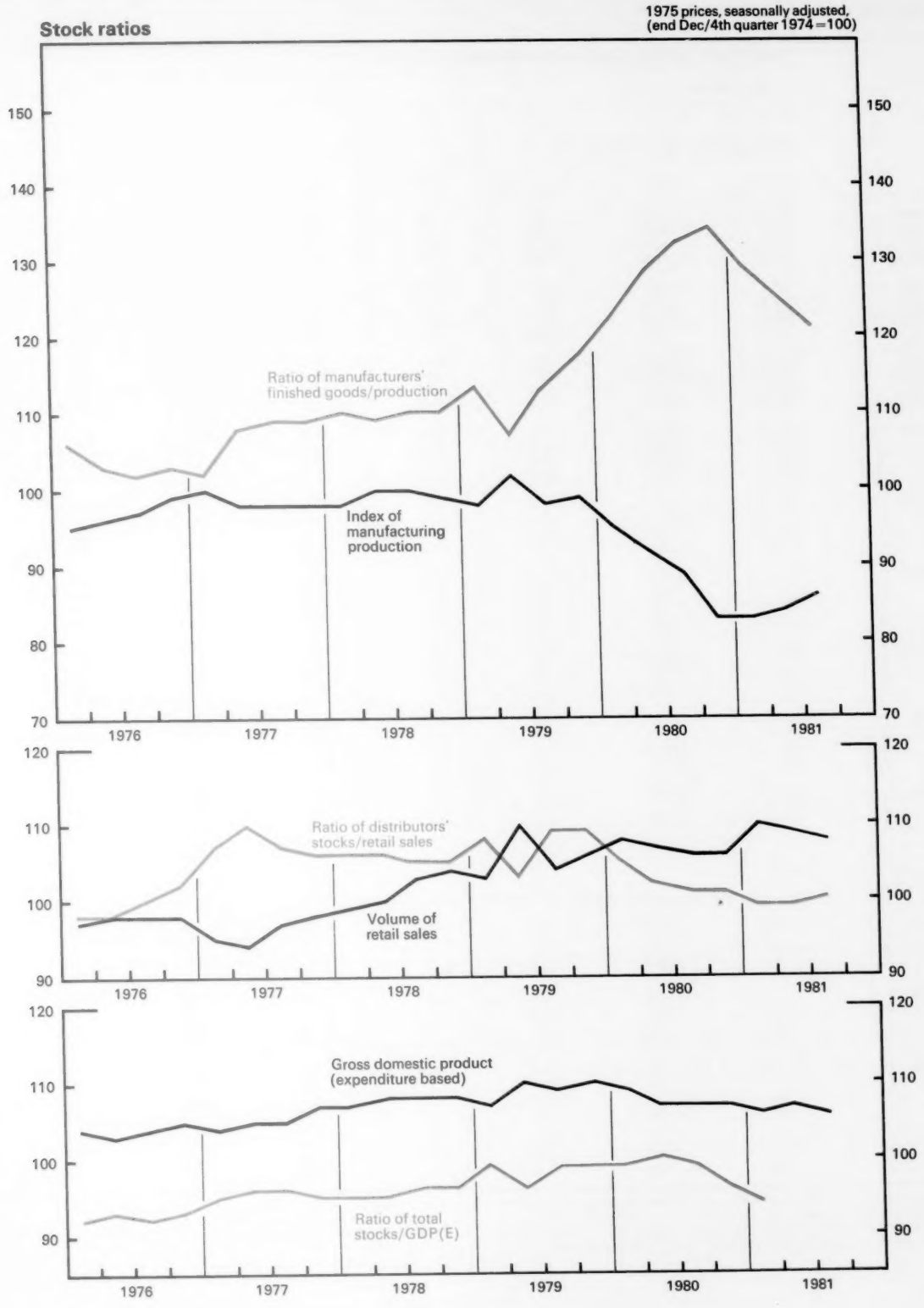
Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (E), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1976 *1*	92	99	92	102	106	98
2	93	97	90	101	103	98
3	92	98	91	102	102	100
4	93	97	90	102	103	102
1977 *1*	95	97	90	102	102	107
2	96	100	92	105	108	110
3	96	101	93	105	109	107
4	95	101	93	106	109	106
1978 *1*	95	102	93	107	110	106
2	95	100	91	105	109	106
3	96	100	91	104	110	105
4	96	103	93	108	110	105
1979 *1*	99	103	93	109	113	108
2	96	99	90	105	107	103
3	99	104	94	110	113	109
4	99	103	92	107	117	109
1980 *1*	99	106	93	111	122	105
2	100	109	94	113	128	102
3	99	112	96	117	132	101
4	96	114	97	120	133	101
1981 *1*	94	112	96	119	129	99
2	..[1]	109	93	117	125	99
3	..	106	90	114	121	100

[1] Gross domestic product expenditure based is not available for the second quarter. See footnotes [3] and [4] on page 6.

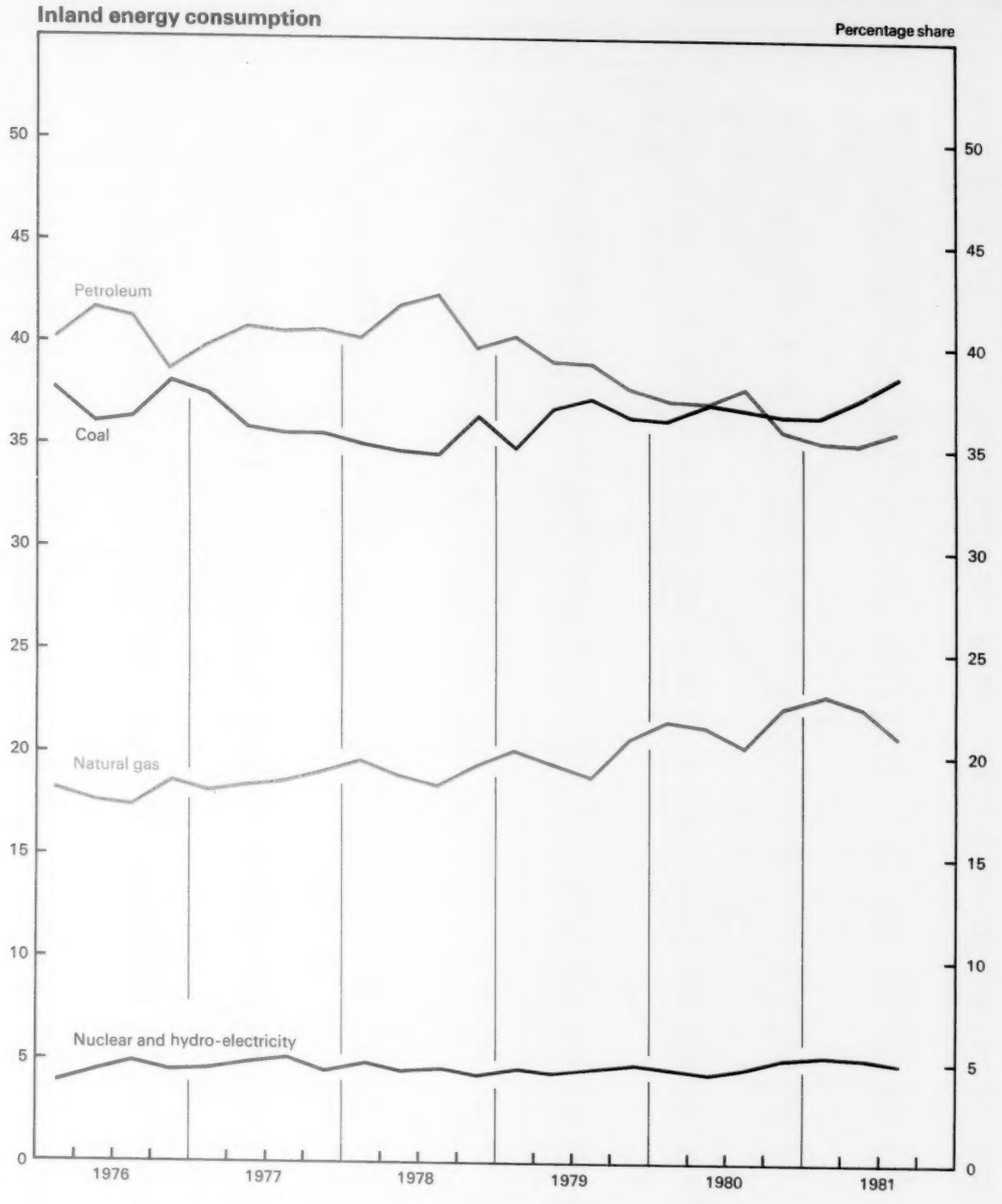

Stock ratios
1975 prices, seasonally adjusted,
(end Dec/4th quarter 1974 = 100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1976
1977
1978
1979
1980
1981

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

		Primary fuel input						Public supply
		Million tonnes of coal or coal equivalent						Thousand million kilowatt hours
		Total	Coal[1]	Petroleum[2]	Natural gas[3]	Nuclear electricity[4]	Hydro electricity[4]	Electricity available (GB)[5]
1969		323·0	162·8	138·4	9·4	10·7	1·7	200·5
1970		336·3	156·8	149·8	17·8	9·5	2·4	211·6
1971		332·9	140·0	152·4	28·8	9·9	1·8	215·9
1972		337·4	121·8	162·2	41·0	10·6	1·8	224·1
1973		354·2	133·2	164·5	44·4	10·1	2·0	241·0
1974		337·9	117·7	153·1	52·9	12·1	2·1	235·5
1975		326·9	120·6	137·1	56·3	10·9	2·0	234·2
1976		331·5	123·0	134·2	59·5	12·9	1·9	236·7
1977		338·2	122·4	136·8	62·7	14·3	2·0	240·2
1978		339·1	119·4	139·2	65·0	13·4	2·1	246·3
1979		349·5	127·2	137·0	69·3	13·8	2·2	255·0
1980		326·5	120·2	121·2	69·9	13·3	2·0	245·9
1976	*1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9
	2	334·6	120·8	139·5	59·2	12·5	2·6	240·4
	3	330·9	120·5	136·7	57·6	14·6	1·5	244·3
	4	328·0	125·2	126·8	61·0	13·4	1·6	231·4
1977	*1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9
	2	337·7	121·1	137·7	62·0	14·5	2·4	242·9
	3	340·5	121·6	138·1	63·4	15·7	1·7	248·3
	4	337·5	120·4	137·3	64·3	13·1	2·4	231·9
1978	*1*	331·4	116·7	133·4	64·9	14·6	1·8	237·3
	2	341·2	118·7	142·9	64·2	13·3	2·1	248·1
	3	338·3	117·2	143·6	62·4	13·2	1·9	253·9
	4	343·4	125·2	136·7	66·5	12·5	2·5	245·7
1979	*1*	349·1	121·8	141·0	70·3	14·5	1·5	252·6
	2	355·8	131·3	139·4	69·4	13·3	2·4	257·6
	3	352·1	131·8	137·8	66·6	13·3	2·6	257·7
	4	342·1	124·8	129·8	71·1	14·0	2·4	252·0
1980	*1*	333·9	121·5	124·4	72·4	13·8	1·8	242·5
	2	328·3	122·1	122·0	69·9	12·9	1·4	248·1
	3	323·7	119·3	123·1	66·1	12·5	2·7	249·0
	4	321·2	117·6	115·4	71·7	14·2	2·3	244·1
1981	*1*	316·9	116·0	111·8	72·7	13·5	2·9	235·7
	2	311·6	116·4	109·6	69·7	14·1	1·8	238·9
	3	317·9	122·4	114·2	66·1	13·4	1·8	242·0
		Percentage change, quarter on corresponding quarter of previous year						
1978	*1*	*− 1·6*	*− 7·6*	*− 0·5*	*+ 6·2*	*+ 5·0*	*+12·5*	*− 0·2*
	2	*+ 1·0*	*− 2·0*	*+ 3·8*	*+ 3·6*	*− 8·3*	*−12·5*	*+ 2·1*
	3	*− 0·7*	*− 3·6*	*+ 4·0*	*− 1·6*	*−15·9*	*+11·8*	*+ 2·3*
	4	*+ 1·7*	*+ 4·0*	*− 0·4*	*+ 3·4*	*− 4·6*	*+ 4·2*	*+ 6·0*
1979	*1*	*+ 5·3*	*+ 4·4*	*+ 5·7*	*+ 8·3*	*− 0·7*	*−16·7*	*+ 6·4*
	2	*+ 4·3*	*+10·6*	*− 2·4*	*+ 8·1*	*—*	*+14·3*	*+ 3·8*
	3	*+ 4·1*	*+12·5*	*− 4·0*	*+ 6·7*	*+ 0·8*	*+36·8*	*+ 1·5*
	4	*− 0·4*	*− 0·3*	*− 5·0*	*+ 6·9*	*+12·0*	*− 4·0*	*+ 2·6*
1980	*1*	*− 4·4*	*− 0·2*	*−11·8*	*+ 3·0*	*− 4·8*	*+20·0*	*− 4·0*
	2	*− 7·7*	*− 7·0*	*−12·5*	*+ 0·7*	*− 3·0*	*−41·7*	*− 3·7*
	3	*− 8·1*	*− 9·5*	*−10·7*	*− 0·8*	*− 6·0*	*+ 3·8*	*− 3·4*
	4	*− 6·1*	*− 5·8*	*−11·1*	*+ 0·8*	*+ 1·4*	*− 4·2*	*− 3·1*
1981	*1*	*− 5·1*	*− 4·5*	*−10·1*	*+ 0·4*	*− 2·2*	*+61·1*	*− 2·8*
	2	*− 5·1*	*− 4·7*	*−10·2*	*− 0·3*	*+ 9·3*	*+28·6*	*− 3·7*
	3	*− 1·8*	*+ 2·6*	*− 7·2*	*—*	*+ 7·6*	*−34·6*	*− 2·8*

[1] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[2] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[3] Excluding gas flared or re-injected.
[4] Nuclear and hydro electricity are not temperature corrected.
[5] The inclusion of Northern Ireland would add about 2% to the total.

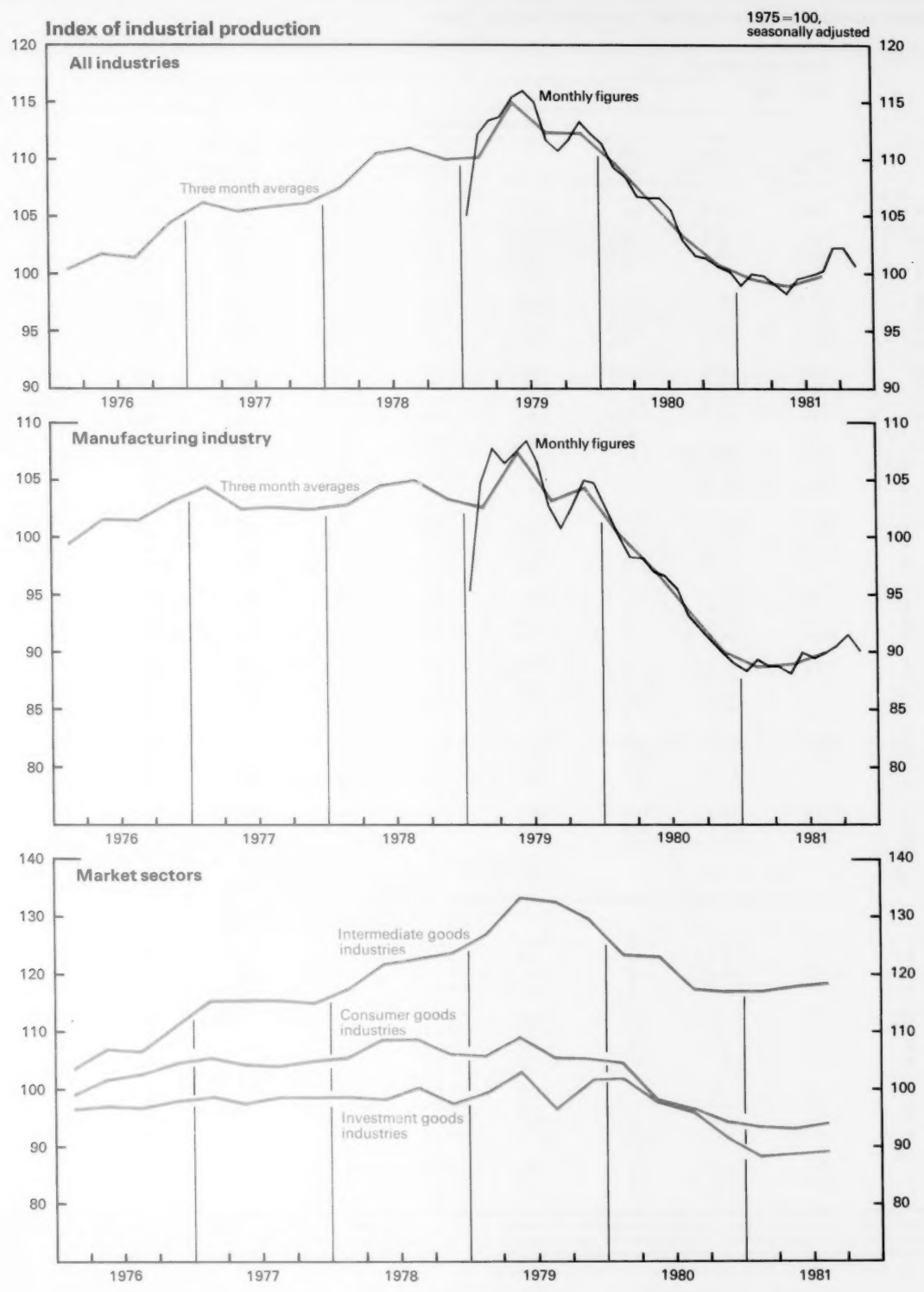

Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and hydro-electricity
1976
1977
1978
1979
1980
1981

Index of industrial production

1975 =100, seasonally adjusted

	All industries covered §	All industries other than MLH 104[2]	By industry: Mining and quarrying	By industry: Manufacturing §	By industry: Construction[3]	By industry: Gas, electricity and water	By market sector[1]: Consumer goods industries	By market sector[1]: Investment goods industries	By market sector[1]: Intermediate goods industries
1975 weights	*1,000*	*999·7*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1971	99·7	99·6	118·8	97·5	112·9	86·7	93·3	93·6	102·1
1972	101·9	101·7	100·0	100·1	115·0	93·0	99·9	91·2	104·1
1973	109·4	109·2	110·0	108·4	117·8	98·6	107·9	99·0	112·6
1974	105·1	105·1	89·7	106·6	105·6	98·5	106·0	102·1	106·0
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	100·7	126·1	101·4	98·6	102·3	101·8	96·9	107·0
1977	105·9	101·9	188·4	102·9	98·2	106·4	104·6	98·2	115·4
1978	109·8	104·1	233·1	103·9	104·9	109·7	107·0	98·7	121·4
1979	112·6	104·3	295·7	104·4	101·3	116·1	106·4	100·2	130·6
1980	105·3	96·7	301·3	95·3	95·9	113·0	98·4	97·0	120·3
1981	99·7†	90·3†	319·8†	89·3†	85†	112·2†	93·6†	88·8†	118·7†
1977 *1*	106·1	102·7	175·7	104·5	97·0	104·9	105·5	98·6	115·5
2	105·4	101·4	191·1	102·3	97·2	107·9	104·0	97·3	115·8
3	105·9	101·8	190·7	102·7	98·4	107·2	104·1	98·4	115·6
4	106·1	101·7	196·0	102·3	100·4	105·8	104·7	98·3	114·8
1978 *1*	107·4	102·5	210·4	102·8	102·1	106·5	105·2	98·5	117·6
2	110·7	105·0	230·3	104·6	106·9	111·2	108·5	98·1	122·0
3	111·2	105·3	236·5	105·0	106·2	112·3	108·4	100·2	122·5
4	110·1	103·4	255·2	103·2	104·5	108·8	105·9	97·7	123·6
1979 *1*	110·2	102·5	278·9	102·7	97·0	119·8	105·7	99·8	126·8
2	115·1	106·6	298·3	107·4	102·7	116·9	109·2	103·1	133·3
3	112·6	103·7	309·6	103·2	103·0	115·1	105·4	96·7	132·6
4	112·5	104·2	296·2	104·3	102·5	112·4	105·5	101·4	129·8
1980 *1*	109·8	101·2	305·8	100·3	101·0	113·0	104·3	102·0	123·4
2	106·8	98·4	297·7	97·4	97·5	112·2	98·1	98·0	123·3
3	103·5	95·3	291·8	93·7	94·7	113·0	96·9	96·5†	117·4
4	101·0	92·0	309·8	90·0	90·3	113·7	94·3	91·6	117·1
1981 *1*	99·5†	90·2†	317·7†	88·7†	87·0	110 0	93·6†	88·3	117·1
2	99·0	89·8	314·3	88·9	82·8	113·3†	93·2	88·7	117·9
3	99·9	90·6	316·2	89·8	85·1†	109·9	93·9	89·3	118·4
4	100·5	90·6	330·9	89·7	83	115·6	93·8	89·1	121·3
1979 *A*	113·8	106·0	283	106·5	..	117	108	103	131
M	115·5	106·9	303	107·5	..	119	110	103	134
J	115·9	107·0	309	108·1	..	115	110	103	135
J	114·9	105·8	315	106·3	..	115	108	101	135
A	111·9	103·3	306	102·4	..	116	104	96	132
S	110·9	102·2	308	100·9	..	115	104	94	130
O	111·7	103·2	300	103·0	..	111	104	99	129
N	113·3	105·1	296	105·1	..	117	106	103	131
D	112·5	104·4	293	104·9	..	110	106	102	129
1980 *J*	111·4	103·0	301	102·4	..	117	106	103	126
F	109·4	100·7	307	100·1	..	109	104	103	122
M	108·6†	99·8†	309	98·3	..	114	102	100	123
A	106·9	98·8	290	98·3	..	110	99	99	123
M	106·7	98·1	301	97·1	..	112	97	98	124
J	106·7	98·1	302	96·7	..	115	98	97	123
J	105·6	97·2	299	95·6	..	119	99	97	121
A	103·1	95·0	289	93·4	..	111	97	97	116
S	101·8	93·8	287	92·0	..	108	95	95	115
O	101·5	93·0	299	91·0	..	117	95	93	117
N	100·9	91·9	312	89·9	..	113	94	92	117
D	100·4	91·2	318	89·0	..	111	94	90	117
1981 *J*	98·9	89·8	312†	88·3†	..	109	93	89	115†
F	99·8	90·5	317	89·2	..	110	94	88	118
M	99·8	90·2	324	88·7	..	111†	93†	88	118
A	99·0	89·4	323	88·7	..	111	94	89	118
M	98·3	89·3	309	88·1	..	115	93	88	117
J	99·6	90·5	311	89·9	..	114	94	89	119
J	99·7	90·6	311	89·4	..	114	94	89	118
A	99·7	90·4	316	89·7	..	109	94	89	118
S	100·3	90·7	322	90·4	..	107	94	90	119
O	102·0	92·1	332	91·5	..	118	95	90	124
N	100·3	90·3	334	89·8	..	111	93	89†	121
D	99·2	89·4	327	87·7	..	118	93	88	119

[1] All industries other than construction.
[2] MLH 104: extraction of mineral oil and natural gas.
[3] For an index of construction output for Great Britain, see page 30.


Index of industrial production
1975=100, seasonally adjusted
All industries
Monthly figures
Three month averages
Manufacturing industry
Monthly figures
Three month averages
Market sectors
Intermediate goods industries
Consumer goods industries
Investment goods industries
1976
1977
1978
1979
1980
1981

Index numbers of output at constant factor cost

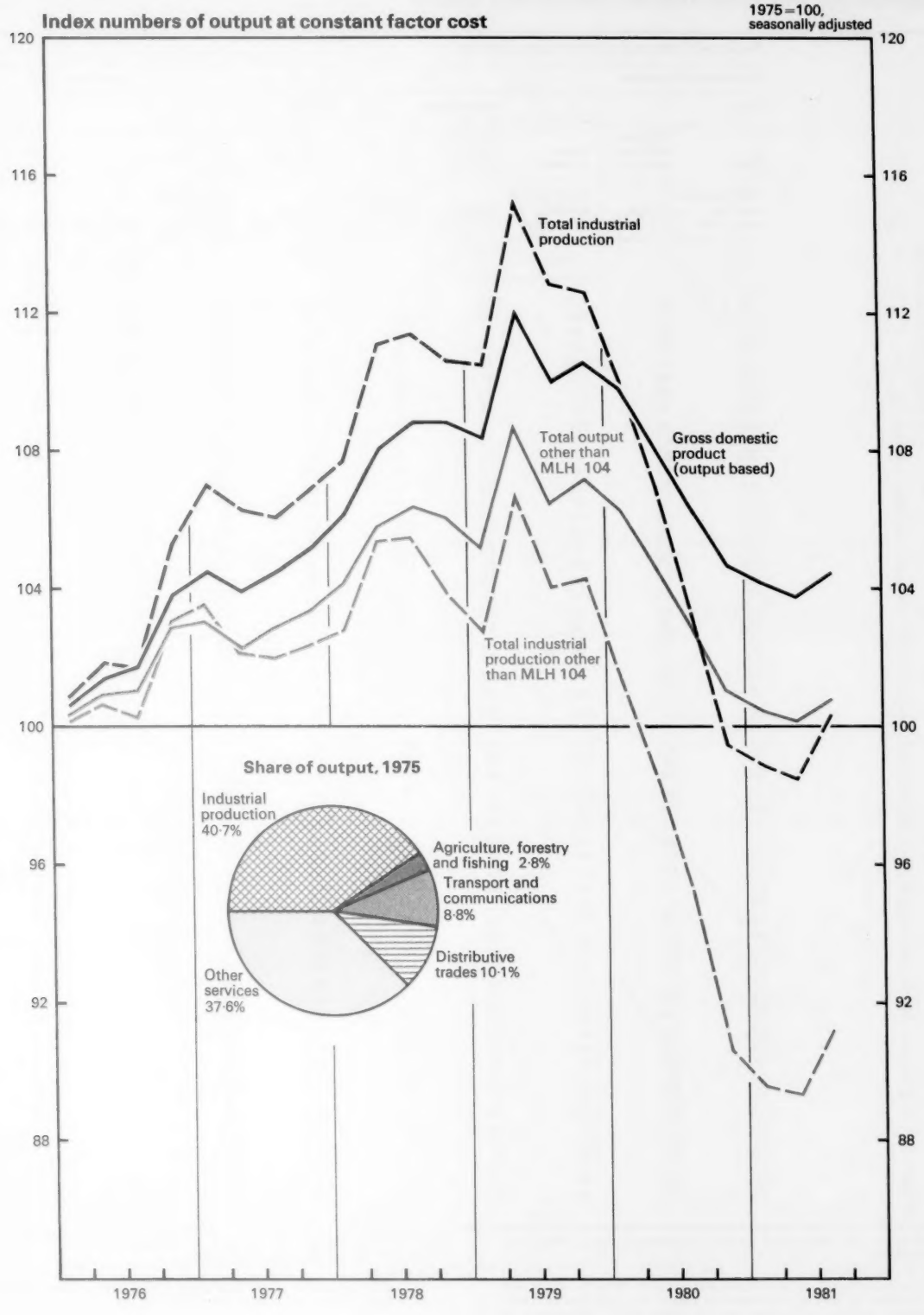
Seasonally adjusted

1975 = 100

	Gross domestic product[1] §	Total output other than MLH 104[1,2]	Agriculture, forestry and fishing	Industrial production			Transport and communication	Distributive trades	Other
				Total[1] §	Total other than MLH 104[1,2]	Manufacturing[1]			
1975 weights	*1,000*	*999·9*	*28*	*407*	*406·6*	*283*	*88*	*101*	*376*
1970	93·5	93·5	95·5	99·9	99·8	98·4	86·8	94·6	87·8
1971	94·9	94·8	100·6	99·6	99·5	97·3	89·1	96·1	90·4
1972	97·8	97·7	103·8	101·6	101·4	99·7	93·4	100·9	93·6
1973	103·5	103·5	107·1	109·7	109·5	108·8	100·5	106·8	96·4
1974	101·9	101·9	108·4	105·7	105·7	107·5	100·7	103·3	97·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	101·9	101·3	92·0	102·4	101·1	102·0	99·1	100·8	103·0
1977	104·6	102·9	103·6	106·5	102·5	103·9	101·9	99·5	104·5
1978	108·0	105·6	112·0	110·2	104·4	104·4	104·6	104·6	107·0
1979	110·3	106·9	111·1	112·8	104·4	104·6	110·2	108·3	108·0
1980	107·2	103·7	120·5	105·0	96·5	95·0	109·7	106·1	108·3
1976 *1*	100·6	100·4	93	100·8	100·2	100·1	98	100	102
2	101·4	101·0	90	101·8	100·7	101·6	98	101	103
3	101·7	101·1	90	101·7	100·3	101·9	99	101	103
4	103·8	102·9	95	105·3	103·1	104·4	101	101	104
1977 *1*	104·5	103·1	100	107·0	103·6	105·7	103	100	104
2	103·9	102·3	103	106·3	102·2	103·5	101	98	104
3	104·5	102·9	105	106·1	102·0	103·0	102	100	105
4	105·2	103·4	107	106·8	102·4	103·3	102	101	105
1978 *1*	106·2	104·2	110	107·7	102·8	103·3	103	102	106
2	108·1	105·8	113	111·1	105·4	105·1	104	104	108
3	108·8	106·4	113	111·4	105·5	105·3	104	106	108
4	108·8	106·1	112	110·6	103·9	103·9	107	107	108
1979 *1*	108·4	105·2	110	110·5	102·7	103·0	105	106	108
2	112·1	108·7	109	115·2	106·7	107·5	112	113	109
3	110·0	106·4	111	112·8	104·0	103·6	113	106	107
4	110·6	107·2	114	112·6	104·3	104·4	112	108	108
1980 *1*	109·7	106·2	118	109·9	101·2	100·3	112	108	109
2	108·1	104·7	121	107·0	98·5	97·6	110	106	108
3	106·3	102·9	122	103·4	95·2	93·5	109	105	108
4	104·7	101·1	121	99·9	91·0	88·5	108	105	108
1981 *1*	104·2	100·4	119	98·9	89·5	87·8	108	106	108
2	103·8	100·1	119	98·5	89·3	88·2	107	106	107
3	104·5	100·7	119	100·4	91·1	90·4	107	105	107
	Percentage change, quarter on corresponding quarter of previous year								
1978 *1*	*+1·6*	*+1·0*	*+10*	*+0·7*	*−0·7*	*−2·3*	—	*+2*	*+2*
2	*+4·0*	*+3·4*	*+10*	*+4·5*	*+3·1*	*+1·6*	*+4*	*+6*	*+2*
3	*+4·1*	*+3·5*	*+8*	*+5·1*	*+3·5*	*+2·3*	*+2*	*+6*	*+3*
4	*+3·4*	*+2·6*	*+5*	*+3·6*	*+1·5*	*+0·5*	*+5*	*+6*	*+2*
1979 *1*	*+2·1*	*+1·0*	*+1*	*+2·6*	*−0·1*	*−0·3*	*+1*	*+4*	*+1*
2	*+3·7*	*+2·7*	*−3*	*+3·7*	*+1·2*	*+2·2*	*+7*	*+9*	*+2*
3	*+1·0*	—	*−3*	*+1·2*	*−1·4*	*−1·6*	*+8*	—	—
4	*+1·6*	*+1·0*	*+1*	*+1·8*	*+0·3*	*+0·5*	*+5*	*+2*	*+1*
1980 *1*	*+1·3*	*+1·0*	*+7*	*−0·5*	*−1·4*	*−2·6*	*+7*	*+3*	*+1*
2	*−3·6*	*−3·7*	*+11*	*−7·1*	*−7·7*	*−9·2*	*−1*	*−6*	—
3	*−3·4*	*−3·3*	*+10*	*−8·3*	*−8·5*	*−9·8*	*−3*	*−1*	*+1*
4	*−5·3*	*−5·7*	*+ 6*	*−11·3*	*−12·7*	*−15·3*	*−4*	*−3*	—
1981 *1*	*−5·0*	*−5·5*	*+1*	*−10·0*	*−11·6*	*−12·5*	*−4*	*−2*	*−1*
2	*−3·9*	*−4·3*	*−2*	*− 7·9*	*− 9·3*	*− 9·6*	*−3*	—	*−1*
3	*−1·7*	*−2·2*	*−3*	*− 2·9*	*− 4·3*	*− 3·3*	*−1*	—	*−1*

[1] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers in this table allow for this by adjusting for changes in the level of stocks in these sectors. Differences between the data in this table and those on page 26 arise from this adjustment and also because page 26 may be based on later information.

[2] MLH 104: Extraction of mineral oil and natural gas.


Index numbers of output at constant factor cost
1975=100, seasonally adjusted
120
116
112
108
104
100
96
92
88
Total industrial production
Gross domestic product (output based)
Total output other than MLH 104
Total industrial production other than MLH 104
Share of output, 1975
Industrial production 40·7%
Agriculture, forestry and fishing 2·8%
Transport and communications 8·8%
Distributive trades 10·1%
Other services 37·6%
1976
1977
1978
1979
1980
1981

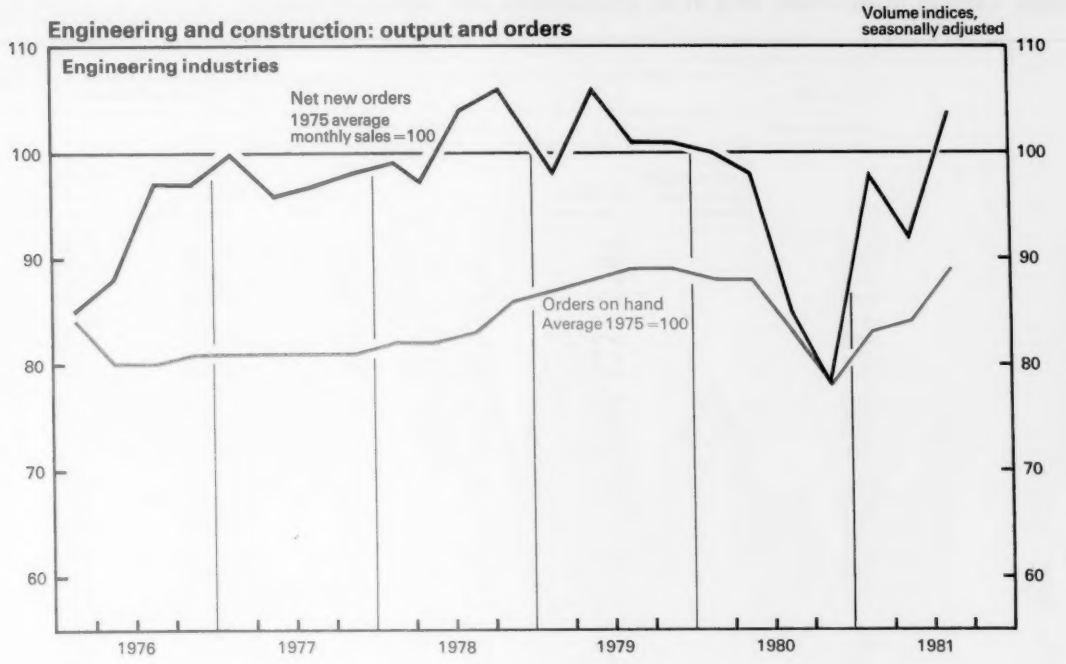
Engineering and construction: output and orders

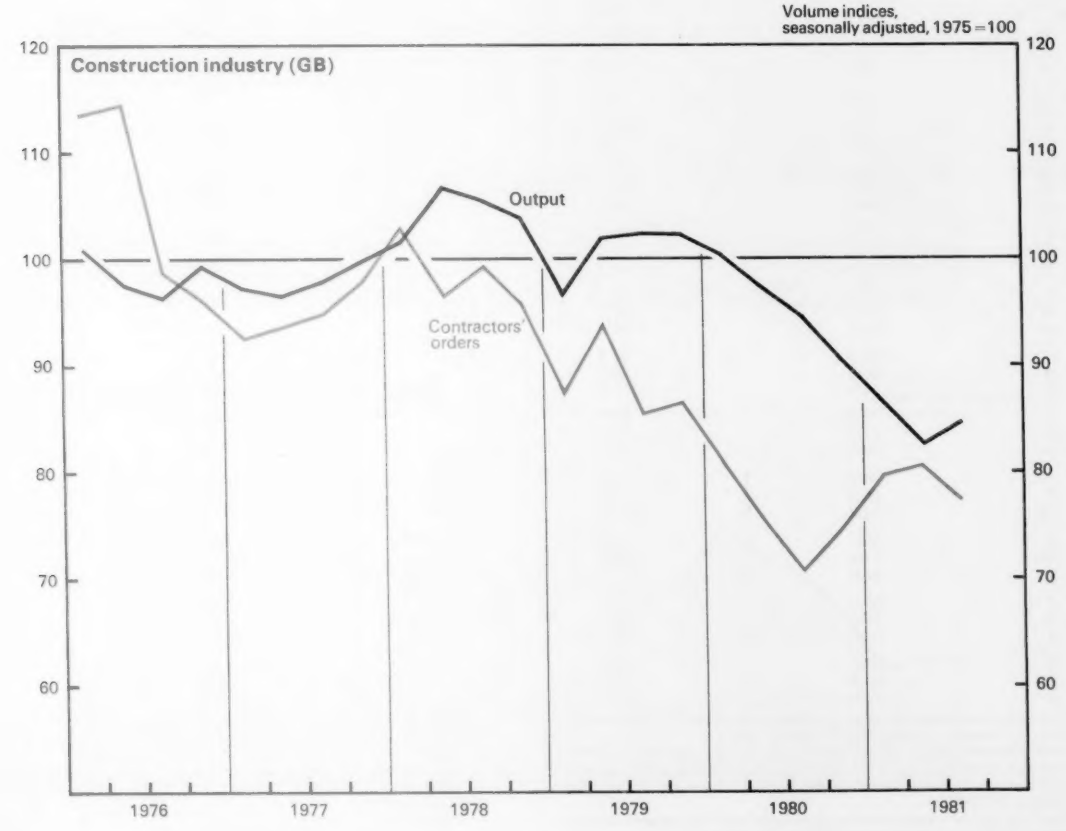
Seasonally adjusted volume index numbers

		Engineering industries[1]							Construction (GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3,4]	Orders received[6]
		1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	1975 =100	1975 =100
1970		..	..	..	..	..	..	..	115·2	131·1
1971		..	..	..	..	..	..	..	116·2	139·2
1972		..	..	..	..	..	..	..	117·4	146·3
1973		98	113	116	119	121	100	105	118·1	141·4
1974		102	114	103	115	102	112	106	106·0	101·1
1975		100	88	83	87	83	89	84	100·0	100·0
1976		97	80	92	74	87	93	103	98·5	105·5
1977		97	81	98	74	93	96	108	97·9	94·6
1978		99	86	102	81	100	96	105	104·4	98·5
1979		100	89	102	85	100	97†	107	100·7	88·1
1980		98	79	91	73	87	90	100	95·7	75·2
1977	1	98	81	100	74	97	95	107	97·1	92·4
	2	96	81	96	73	89	97	113	96·5	93·4
	3	97	81	97	73	93	96	106	97·9	94·8
	4	96	81	98	74	94	96	108	99·9	97·8
1978	1	98	82	99	75	97	96	104	101·7	102·8
	2	97	82	97	75	96	94	101	106·8	96·2
	3	100	83	104	76	100	97	114	105·5	99·2
	4	99	86	106	81	108	96	102	103·8	95·8
1979	1	97	87	98	82	95	97	105	96·4	87·0
	2	105	87	106	83	104	96	112	101·9	93·9
	3	98	89	101	85	101	97	102	102·3	85·2
	4	102	89	103	85	99	97	110	102·2	86·4
1980[5]	1	102	88	99	84	98	95	102	100·4	80·9
	2	99	88	98	83	93	97	112	97·2	75·4
	3	98	83	86	78	83	92	94	94·7	70·4
	4	91	79	81	73	76	90	92	90·4	74·3
1981	1	88	83	98	78	96	92	102	86·7	79·7
	2	90	84	92	79	90†	93	98	82·4	80·3
	3	90	89	104	81†	90	107	139†	84·5[5]	77·1
	4									
1979	J	101	88	106	84	107	96	103	..	94·6
	A	97	89	102	85	99	97	109	..	84·9
	S	95	89	95	85	96	97	93	..	76·2
	O	98	89	100	85	97	97	106	..	91·6
	N	106	90	111	86	108	97	120	..	84·7
	D	103	89	96	85	93	97	103	..	82·8
1980[5]	J	101	88	95	84	96	96	95	..	79·3
	F	102	88	99	84	99	95	99	..	83·8
	M	103	88	104	84	100	95	114	..	79·6
	A	99	87	93	84	91	94	99	..	79·8
	M	99	87	94	83	93	93	97	..	71·6
	J	99	88	108	83	95	97	138	..	74·7
	J	96	87	88	82	87	95	91	..	72·1
	A	102	86	95	81	90	95	107	..	66·5
	S	96	83	75	78	70	92	85	..	72·5
	O	94	81	77	76	74	90	83	..	67·5
	N	94	79	83	74	75	90	102	..	72·9
	D	85	79	82	73	79	90	90	..	82·2
1981	J	87	79	90	74	90	90	91†	..	84·8
	F	89	80	94	74	85†	91	116	..	81·4
	M	88	83	110	78	114	92	100	..	72·8
	A	90	83	91	78	86	93	102	..	66·2
	M	88	83	86	78	84	93	91		82·2
	J	91	84	100†	79	99	93	103		92·6
	J	89	86†	101	82†	98	94	106		81·2
	A	93	90	126	82	95	105	201		79·5
	S	89	89	86	81	76	107	110		70·6
	O	92	90	95	81	91	107†	103		82·2[5]
	N	92	90	94	81	90	107	103		73·3[5]
	D									

[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).
[2] Net of cancellations.
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.
[5] Provisional.
[6] The discontinuity in the series arose because a register with more up-to-date information has been used since June inquiry.

Engineering and construction: output and orders

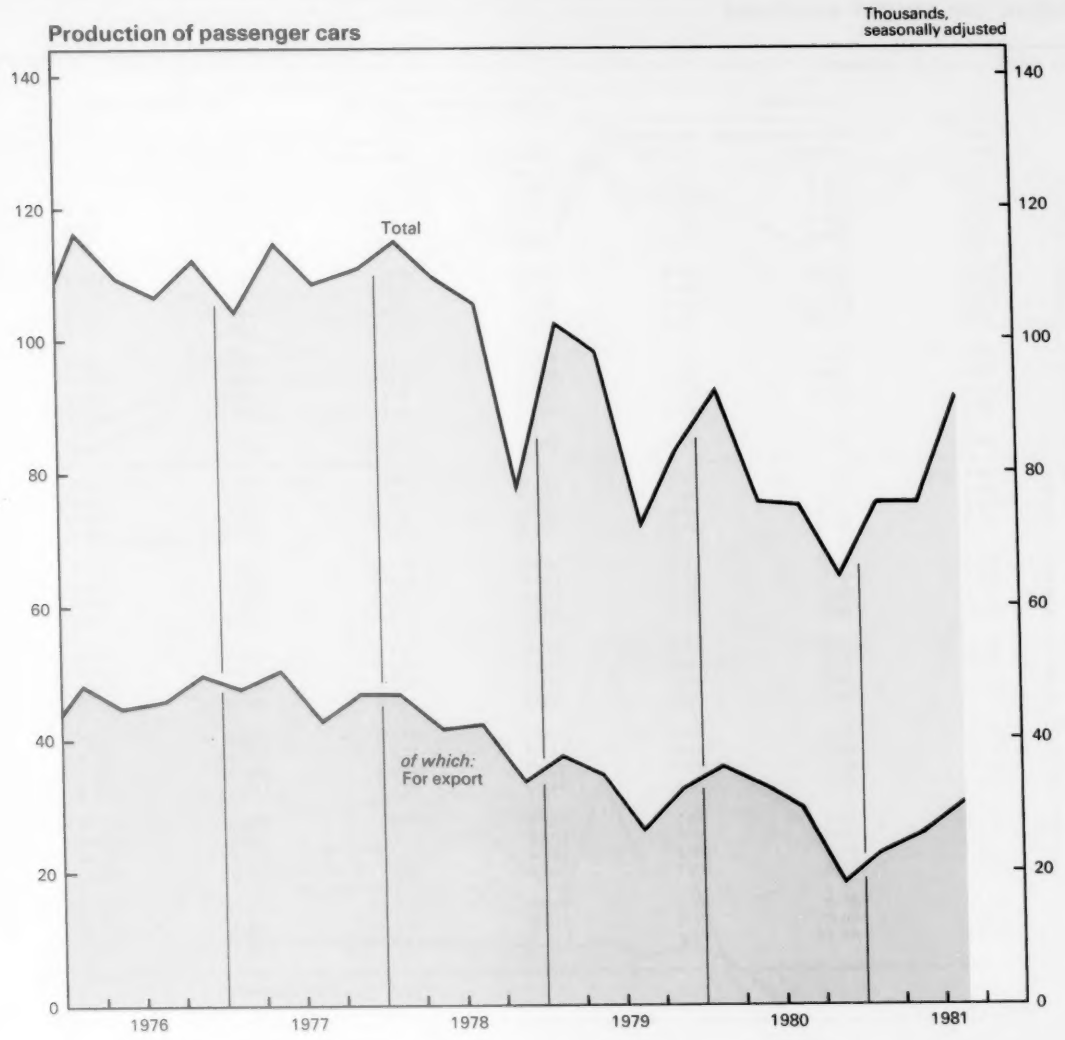


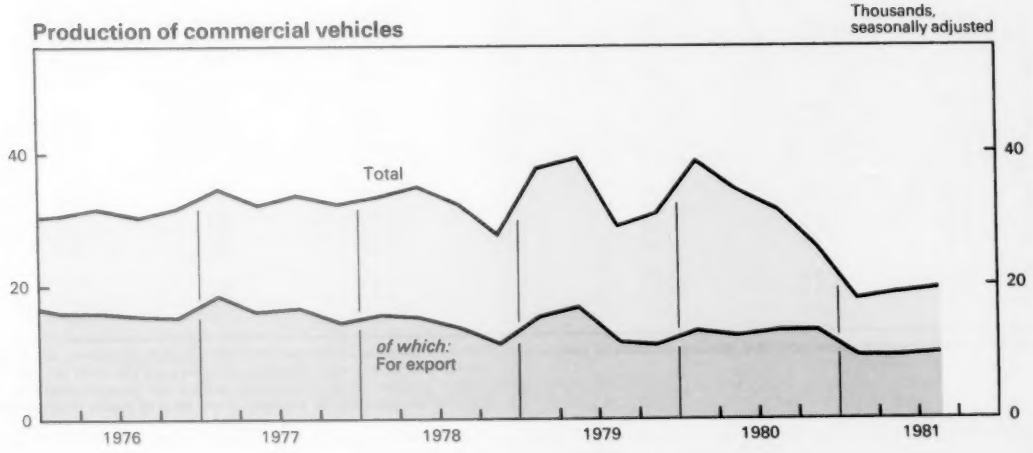


Motor vehicle production and steel production and consumption

	Seasonally adjusted						
	Thousands[1]					Thousand tonnes	
	Passenger cars§			Commercial vehicles§			
	Total	*of which* Units previously shown under assembly[2]	*of which:* For export	Total	*of which:* For export	Crude steel production[3], [4]	Finished steel consumption
1970	136·7	..	60·2	38·1	15·8	27,862[5]	17,637[5]
1971	145·2	..	59·5	38·0	15·7	24,274	16,722
1972	160·1	..	51·1	34·0	11·3	25,351	16,750
1973	145·6	..	50·4	34·7	13·3	26,684	18,445
1974	127·8	..	49·7	33·5	14·2	22,362	17,548
1975	105·6	..	44·3	31·7	15·5	19,737[5]	15,446[5]
1976	111·1	..	47·1	31·0	15·8	22,236	15,804
1977	109·7	..	46·9	33·2	16·4	20,385	15,300
1978	101·9	..	41·2	32·0	14·1	20,237	15,593
1979	89·2	..	32·7	34·0	13·5	21,412	15,322
1980	77·0	..	29·1	32·4	13·0	11,387	12,580[6]
1981	79·4	3	25·4	19·1	9·5	15,308[6], [8]	..
1977 *1*	104·6	..	47·8	34·6	18·3	5,417	3,744
2	114·8	..	50·1	32·1	16·1	4,908	3,758
3	108·9	..	42·8	33·6	16·5	5,419	3,974
4	110·3	..	46·9	32·4	14·7	4,641	3,824
1978 *1*	114·9	..	46·9	33·2	15·7	4,957	4,202
2	109·4	..	41·9	35·0	15·2	5,278	3,949
3	105·7	..	42·2	32·3	13·9	4,757	3,910
4	77·6	..	33·9	27·7	11·6	5,245	3,522
1979 *1*	102·7	..	37·6	37·7	15·2	4,954	3,644
2	98·1	..	34·9	39·0	16·3	5,720	3,916
3	72·2	..	26·0	28·9	11·7	5,485	3,754
4	83·8	..	32·4	30·5	11·0	5,252	3,930
1980 *1*	92·4	..	35·9	38·5	13·0	764	3,017
2	75·7	..	33·1	34·3	12·2	4,098	3,434
3	75·4	..	29·5	31·5	13·4	3,498	3,152
4	64·5	..	18·1	25·4	13·5	3,027	2,985
1981 *1*	72·5†	3	23·2	17·5†	9·5†	3,585	3,010[8]
2	74·2	4	26·2†	17·9	9·2	3,892	..
3	91·3	2†	27·4	19·5	9·8	3,813[6]	..
4	79·7	2	24·7	21·6	9·5	4,018[8]	..
1979 *O*	76·5	..	24·5	26·5	10·1	2,098[7]	..
N	84·6	..	36·2	32·4	11·6	1,668	..
D	90·3	..	35·7	32·6	11·3	1,486	..
1980 *J*	97·9	..	40·1	38·7	14·9	325[7]	..
F	103·7	..	39·0	43·6	14·2	125	..
M	75·5	..	28·5	33·1	9·8	334	..
A	79·6	..	34·1	34·7	12·2	1,164[7]	..
M	64·8	..	29·0	31·2	11·2	1,408	..
J	82·6	..	36·1	37·2	13·4	1,526	..
J	101·5	..	40·4	40·5	15·7	1,634[7]	..
A	64·5	..	28·6	27·4	12·9	1,056	..
S	60·3	..	19·4	26·5	11·6	808	..
O	74·6	..	22·3	28·5	14·7	1,065[7]	..
N	61·9	..	16·7	27·8	16·1	977	..
D	56·9	..	15·4	20·0	9·7	985	..
1981 *J*	70·2†	1	17·5†	18·7	10·5†	1,177[7]	..
F	68·0	2	20·4	16·8	8·6	1,219	..
M	79·3	5	31·6	17·0	9·4	1,189	..
A	85·9	5	31·8	20·3	10·2	1,470[7]	..
M	51·6	3	18·5	14·9	7·8	1,128	..
J	85·0	5	28·4	18·4	9·4	1,294	..
J	100·4	2	29·0	20·1	9·8	1,650[7]	..
A	79·6	2	23·1	17·0	9·9	1,013	..
S	94·0	2†	30·1	21·5	9·6	1,443[7]	
O	93·5	1	31·4	20·9	9·4	1,263	..
N	63·5	3	18·6	21·6	9·8	1,298	..
D	82·0	2	24·1	22·4	9·4	1,457[7], [8]	..

[1] Monthly averages or standardised calendar months.
[2] From January 1981, certain models previously recorded under assembly were re-categorised under production. These are almost exclusively built for the home market. Further details are in Business Monitor PM 381.
[3] The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
[4] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[5] 53-week period; reduced to 52-week basis for comparison purposes.
[6] 14-week period; reduced to 13-week basis for comparison purposes.
[7] Five-week periods.
[8] Provisional.


Production of passenger cars
Thousands, seasonally adjusted
140
120
100
80
60
40
20
0
Total
of which:
For export
1976
1977
1978
1979
1980
1981


Production of commercial vehicles
Thousands, seasonally adjusted
40
20
0
Total
of which:
For export
1976
1977
1978
1979
1980
1981

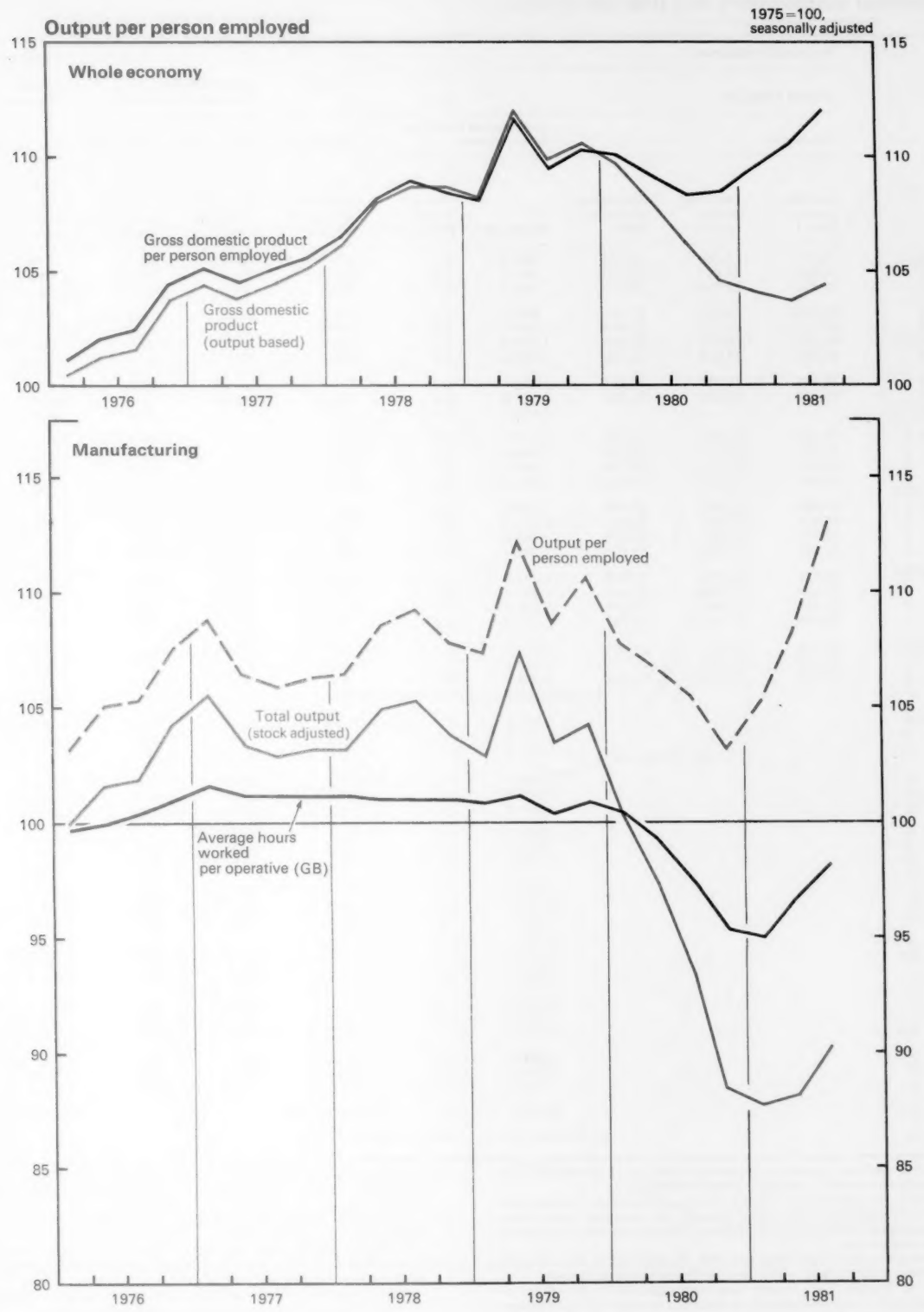
Output per person employed

1975 = 100, seasonally adjusted

		Total employed labour force	Employment:		Output per person employed[1]			Output per person hour in manufacturing industries[2]
			Index of production industries	Manufacturing industries	Whole economy	Index of production industries[2]	Manufacturing industries[2]	
1969		99·5	110·3	111·2	92·4	90·5	88·1	. .
1970		99·1	108·6	111·0	94·3	92·0	88·6	85·6
1971		97·5	105·4	107·4	97·3	94·6	90·6	89·0
1972		97·9	103·0	103·9	99·9	98·7	95·9	94·5
1973		100·0	104·4	104·4	103·6	105·1	104·2	101·2
1974		100·4	104·1	104·7	101·5	101·6	102·7	101·8
1975		100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976		99·3	97·3	96·9	102·6	105·3	105·3	105·1
1977		99·4	96·9	97·2	105·2	110·0	106·9	105·9
1978		99·9	96·8	96·7	108·1	113·9	108·1	107·1
1979		100·3	96·2	95·3	109·9	117·3	109·8	108·9
1980		98·3	91·7	89·7	109·1	114·6	105·9	107·3
1975	*4*	99·7	98·3	97·7	100·1	101·2	101·2	101·4
1976	*1*	99·4	97·7	97·0	101·2	103·2	103·2	103·5
	2	99·3	97·2	96·7	102·2	104·7	105·1	105·1
	3	99·2	97·0	96·8	102·5	104·8	105·2	105·0
	4	99·3	97·1	97·0	104·5	108·5	107·6	106·8
1977	*1*	99·4	97·0	97·1	105·2	110·3	108·9	107·6
	2	99·4	97·0	97·3	104·6	109·6	106·4	105·4
	3	99·4	96·8	97·2	105·2	109·6	106·0	105·0
	4	99·5	96·7	97·1	105·7	110·4	106·4	105·4
1978	*1*	99·6	96·9	97·0	106·6	111·2	106·5	105·4
	2	99·8	96·8	96·8	108·3	114·7	108·6	107·8
	3	99·9	96·6	96·5	109·0	115·4	109·2	108·2
	4	100·3	96·7	96·3	108·5	114·4	107·9	107·0
1979	*1*	100·3	96·5	95·9	108·1	114·5	107·4	106·5
	2	100·4	96·4	95·6	111·7	119·5	112·4	111·2
	3	100·4	96·3	95·3	109·5	117·2	108·7	108·1
	4	100·2	95·6	94·4	110·3	117·8	110·7	109·9
1980	*1*	99·7	94·4	93·1	110·1	116·4	107·8	107·4
	2	99·0	93·0	91·4	109·2	115·0	106·8	107·5
	3	98·0	90·9	88·7	108·4	113·8	105·5	107·4
	4	96·5	88·3	85·7	108·5	113·1	103·3	106·9
1981	*1*	95·1	85·9	83·3	109·6	114·9†	105·2†	109·3†
	2	93·9	84·0	81·3	110·6	117·2	108·4	111·2
	3	93·1†	82·4†	79·8	112·2†	121·4	112·9	114·6
		Percentage change, quarter on corresponding quarter of previous year						
1977	*4*	*+0·2*	*−0·4*	*+ 0·1*	*+1·1*	*+1·8*	*−1·1*	*−1·3*
1978	*1*	*+0·2*	*−0·1*	*− 0·1*	*+1·3*	*+0·8*	*−2·2*	*−2·0*
	2	*+0·4*	*−0·2*	*− 0·5*	*+3·5*	*+4·7*	*+2·1*	*+2·3*
	3	*+0·5*	*−0·2*	*− 0·7*	*+3·6*	*+5·3*	*+3·0*	*+3·1*	
	4	*+0·8*	*—*	*− 0·8*	*+2·7*	*+3·6*	*+1·4*	*+1·5*
1979	*1*	*+0·7*	*−0·4*	*− 1·1*	*+1·4*	*+3·0*	*+0·8*	*+1·0*
	2	*+0·6*	*−0·4*	*− 1·2*	*+3·1*	*+4·2*	*+3·5*	*+3·2*
	3	*+0·5*	*−0·3*	*− 1·2*	*+0·5*	*+1·6*	*−0·5*	*−0·1*
	4	*−0·1*	*−1·1*	*− 2·0*	*+1·7*	*+3·0*	*+2·6*	*+2·7*
1980	*1*	*−0·6*	*−2·2*	*− 2·9*	*+1·9*	*+1·7*	*+0·4*	*+0·8*
	2	*−1·4*	*−3·5*	*− 4·4*	*−2·2*	*−3·8*	*−5·0*	*−3·3*
	3	*−2·4*	*−5·6*	*− 6·9*	*−1·0*	*−2·9*	*−2·9*	*−0·7*
	4	*−3·7*	*−7·6*	*− 9·2*	*−1·6*	*−4·0*	*−6·7*	*−2·7*
1981	*1*	*−4·6*	*−9·0*	*−10·5*	*−0·5*	*−1·3*	*−2·4*	*+1·8*
	2	*−5·2*	*−9·7*	*−11·1*	*+1·3*	*+1·9*	*+1·5*	*+3·4*
	3	*−5·0*	*−9·4*	*−10·0*	*+3·5*	*+6·7*	*+7·0*	*+6·7*

[1] The ratios do not take into account part-time working or hours of work.

[2] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers used to calculate output per person employed allow for this by adjusting for changes in the level of stocks in these sectors.


Output per person employed
1975=100, seasonally adjusted
Whole economy
Gross domestic product per person employed
Gross domestic product (output based)
Manufacturing
Output per person employed
Total output (stock adjusted)
Average hours worked per operative (GB)
115
110
105
100
95
90
85
80
1976
1977
1978
1979
1980
1981

National employment and unemployment[1]

	Seasonally adjusted								Unadjusted
	United Kingdom						Great Britain Manufacturing industry		United Kingdom
	Thousands			Unemployed excluding school leavers		Thousands	1975 = 100	1975 = 100	Thousands
	Working population[2,3,4]	Employed labour force[2,3]	Employees in employment[3]	Thousands[4,6]	Percentage of employees[5,6]	Vacancies notified to employment offices§[6]	Employees in employment	Average hours worked per operative	Total unemployed including school leavers[4]
1972	25,244	24,386	22,116	854·9	3·7	147·3	103·9†	102·1	875·6
1973	25,599	24,971	22,663	611·0	2·6	307·0	104·5	104·0	618·8
1974	25,652	25,060	22,790	599·7	2·6	301·6	104·7	101·1	614·9
1975	25,895	24,984	22,711	929·1	3·9	148·1	100·0	100·0	977·6
1976	26,152	24,785	22,540	1,269·3	5·3	119·7	96·8	100·3	1,358·8
1977	26,293	24,813	22,606	1,376·8	5·7	155·9	97·2	101·3	1,483·6
1978	26,396	24,926	22,740	1,375·6	5·7	210·3	96·8	101·0	1,475·0
1979	26,431	25,067	22,897	1,302·1	5·4	241·3	95·4	100·8	1,390·5
1980	26,325	24,666	22,487	1,647·6	6·8	143·0	89·8	98·1	1,794·7
1981				2,549·1	10·5	97·0		97·0	2,733·8
1978 1	26,383	24,901	22,709	1,412·7	5·8	186·7	97·1	101·2	1,506·1
2	26,396	24,926	22,740	1,390·9	5·8	204·2	96·9	101·0	1,428·2
3	26,415	24,971	22,786	1,365·0	5·7	216·3	96·6	101·0	1,570·6
4	26,463	25,068	22,889	1,333·9	5·4	234·0	96·3	101·0	1,395·3
1979 1	26,466	25,043	22,869	1,349·4	5·6	233·6	96·0	100·8	1,436·5
2	26,431	25,067	22,897	1,305·2	5·4	252·2	95·8	101·2	1,327·9
3	26,391	25,071	22,896	1,266·8	5·2	249·1	95·4	100·4	1,438·0
4	26,369	25,001	22,826	1,287·1	5·3	230·3	94·5	100·9	1,359·4
1980 1	26,332	24,855	22,678	1,373·9	5·7	194·6	93·2	100·4	1,479·2
2	26,325	24,666	22,487	1,497·7	6·2	159·2	91·5	99·1	1,563·9
3	26,301	24,354	22,166	1,699·0	7·0	119·8	88·8	97·5	1,979·1
4	26,218	23,959	21,769	2,019·8	8·4	98·3	85·6	95·4	2,156·7
1981 1	26,138	23,653	21,463	2,304·4	9·5	99·6	83·3	95·0	2,455·8
2	26,070†	23,363	21,173	2,506·4	10·4	89·5	81·3	96·7	2,588·0
3	26,070	23,200†	21,009†	2,627·1	10·9	95·7	79·7	98·2	2,930·5
4				2,758·3	11·4	103·3	78·5	98·1	2,980·9
1980 A	..	..	..	1,456·2	6·0	170·2	92·1	99·2	1,522·9
M	..	..	..	1,495·3	6·2	162·2	91·5	99·2	1,509·2
J	..	..	..	1,541·7	6·4	145·3	90·9	98·9	1,659·7
J	..	..	..	1,609·2	6·7	127·9	89·7	98·0	1,896·6
A	..	..	..	1,696·8	7·0	120·5	88·8	97·6	2,001·2
S	..	..	..	1,791·1	7·4	111·1	87·8	97·0	2,039·5
O	..	..	..	1,892·9	7·8	100·0	86·6	95·9	2,062·9
N	..	..	..	2,030·0	8·4	96·2	85·5	95·3	2,162·9
D	..	..	..	2,136·6	8·8	98·8	84·6	95·0	2,244·2
1981 J	..	..	..	2,228·3	9·2	103·6	84·0	95·0	2,419·5
F	..	..	..	2,304·1	9·5	98·2	83·2	94·9	2,463·3
M	..	..	..	2,380·8	9·8	96·9	82·5	95·1	2,484·7
A	..	..	..	2,452·3	10·1	94·3	81·9	96·2	2,525·2
M	..	..	..	2,514·6	10·4	91·7	81·3	96·6	2,558·4
J	..	..	..	2,552·3	10·6	82·5	80·6	97·2	2,680·5
J	..	..	..	2,582·3[7]	10·7[7]	91·7	80·0	97·5	2,852·1[7]
A	..	..	..	2,626·4[7]	10·9[7]	98·4	79·8	98·4	2,940·5[7]
S	..	..	..	2,672·7[7]	11·1[7]	96·9	79·3	98·6	2,998·8[7]
O				2,728·9[7]	11·3[7]	98·6	78·9	98·8	2,988·6[7]
N				2,764·3	11·4	103·8	78·6†	97·9	2,953·3
D				2,781·6	11·5	107·5	78·0	97·7	2,940·7
1982 J				2,828·9	11·7	114·2			3,070·6
F									
M									

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.

[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.

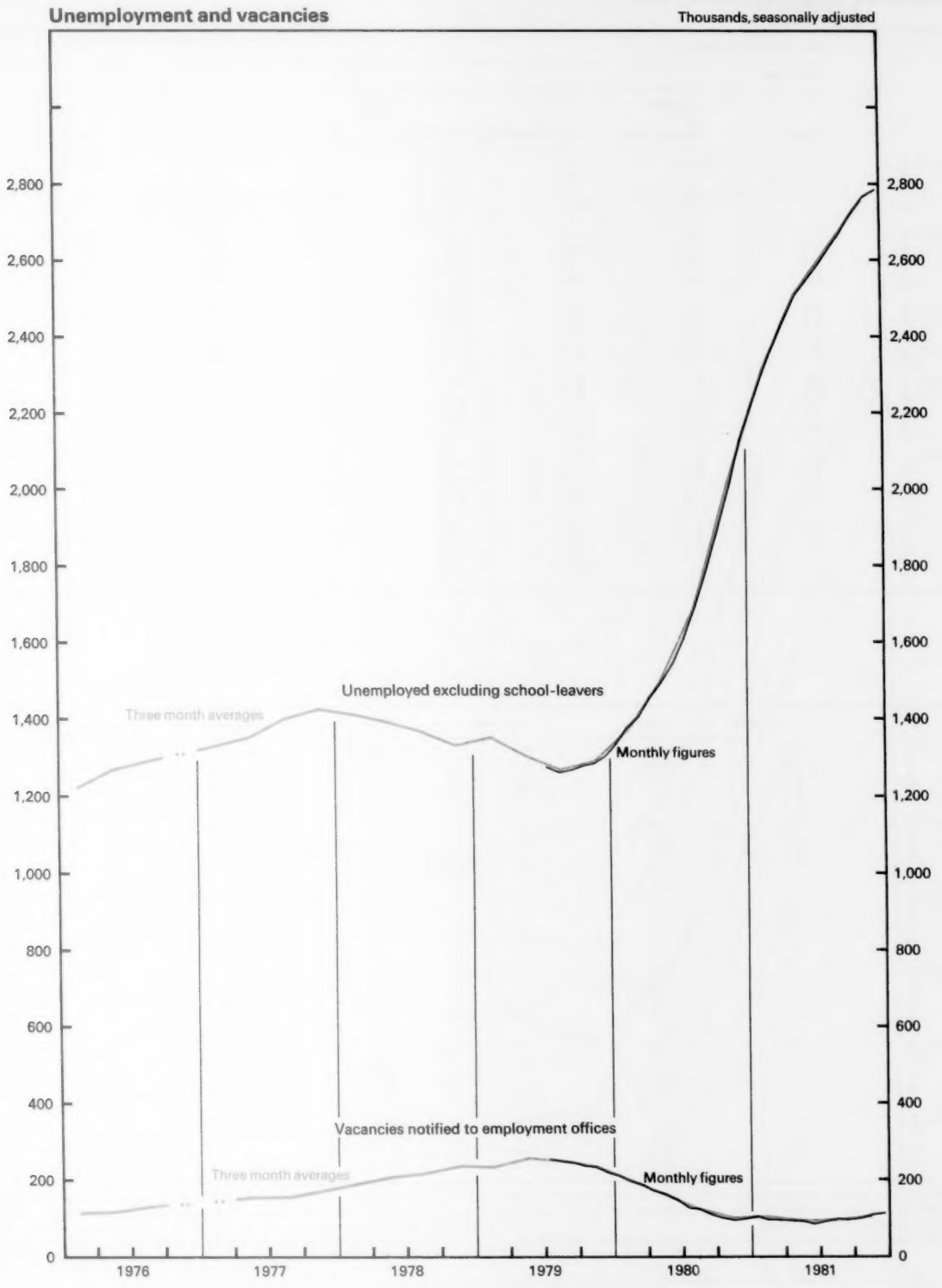
[3] Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December respectively.

[4] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit as described on page 1151 of *Employment Gazette*, November 1979.

[5] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed).

[6] The seasonally adjusted series have been revised as described in the March 1981 *Employment Gazette*.

[7] The recorded unemployment figures for July to October are overstated by about 20,000 (net) as a result of industrial action affecting the flow of information between benefit offices and employment offices. The seasonally adjusted total for the UK has been reduced to allow for this. No adjustment has been made to other unemployment figures


Unemployment and vacancies
Thousands, seasonally adjusted
2,800
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Unemployed excluding school-leavers
Three month averages
Monthly figures
Vacancies notified to employment offices
Three month averages
Monthly figures
1976
1977
1978
1979
1980
1981

Regional unemployment rates[1]

Seasonally adjusted

Per cent

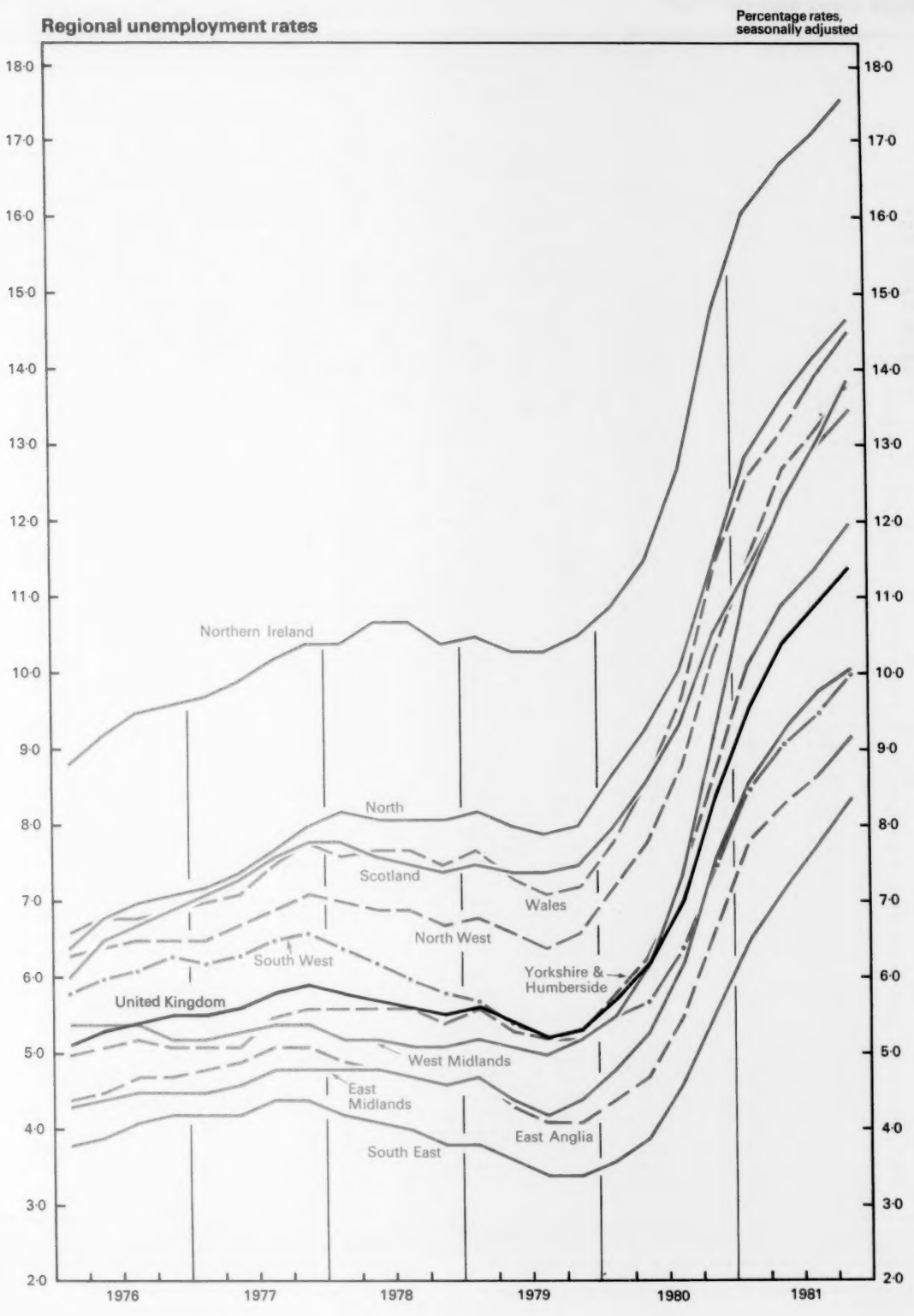
	North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1976 *1*	6·4	5·0	4·3	4·4	3·8	5·8	5·4
2	6·8	5·1	4·4	4·5	3·9	6·0	5·4
3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
4	7·1	5·1	4·5	4·7	4·2	6·3	5·2
1977 *1*	7·2	5·1	4·5	4·8	4·2	6·2	5·2
2	7·4	5·1	4·6	4·9	4·2	6·3	5·3
3	7·7	5·5	4·8	5·1	4·4	6·5	5·4
4	8·0	5·6	4·8	5·1	4·4	6·6	5·4
1978 *1*	8·2	5·5	4·8	4·9	4·2	6·4	5·2
2	8·1	5·6	4·7	4·8	4·1	6·2	5·2
3	8·1	5·5	4·7	4·7	4·0	6·0	5·1
4	8·1	5·4	4·6	4·6	3·8	5·8	5·0
1979 *1*	8·2	5·5	4·6	4·7	3·8	5·7	5·2
2	8·0	5·3	4·4	4·3	3·6	5·4	5·1
3	7·9	5·1	4·2	4·1	3·4	5·2	5·0
4	8·0	5·3	4·4	4·1	3·4	5·2	5·2
1980 *1*	8·7	5·7	4·7	4·4	3·6	5·3	5·6
2	9·3	6·3	5·3	4·7	3·9	5·7	6·2
3	10·1	7·3	6·2	5·5	4·6	6·4	7·4
4	11·5	8·8	7·5	6·7	5·6	7·5	9·3
1981 *1*	12·9	10·1	8·6	7·8	6·5	8·5	11·2
2	13·6	10·9	9·3	8·3	7·2	9·1	12·3
3[3]	14·2	11·4	9·8	8·7	7·8	9·5	13·1
4	14·7	12·0	10·1	9·2	8·4	10·0	13·9

	North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1976 *1*	6·3	6·6	6·0	5·0	8·8	5·1
2	6·4	6·8	6·5	5·2	9·2	5·3
3	6·5	6·8	6·7	5·3	9·5	5·4
4	6·5	6·9	6·9	5·4	9·6	5·5
1977 *1*	6·5	7·0	7·1	5·4	9·7	5·5
2	6·7	7·1	7·3	5·5	9·9	5·6
3	6·9	7·5	7·6	5·7	10·2	5·8
4	7·1	7·8	7·8	5·8	10·4	5·9
1978 *1*	7·0	7·6	7·8	5·7	10·4	5·8
2	6·9	7·7	7·6	5·6	10·7	5·7
3	6·9	7·7	7·5	5·5	10·7	5·6
4	6·7	7·5	7·4	5·4	10·4	5·5
1979 *1*	6·8	7·7	7·5	5·4	10·5	5·6
2	6·6	7·3	7·4	5·3	10·3	5·4
3	6·4	7·1	7·4	5·1	10·3	5·2
4	6·6	7·2	7·5	5·2	10·5	5·3
1980 *1*	7·2	7·8	8·0	5·6	10·9	5·7
2	7·8	8·6	8·6	6·1	11·5	6·2
3	8·8	9·7	9·4	6·9	12·7	7·0
4	10·3	11·4	10·6	8·2	14·8	8·4
1981 *1*	11·5	12·6	11·4	9·4	16·1	9·5
2	12·7	13·2	12·3	10·2	16·7	10·4
3	13·2	13·9	13·0	10·7	17·1	10·9
4	13·8	14·5	13·5	11·3	17·6	11·4

[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed).

[2] The boundaries of the standard regions were revised in April 1974.

[3] The recorded unemployment figures for July to October are overstated by about 20,000 (net) as a result of industrial action affecting the flow of information between benefit offices and employment offices. The seasonally adjusted totals for GB and UK have been reduced to allow for this. No adjustment has been made to other unemployment figures.


Regional unemployment rates
Percentage rates, seasonally adjusted
18·0
17·0
16·0
15·0
14·0
13·0
12·0
11·0
10·0
9·0
8·0
7·0
6·0
5·0
4·0
3·0
2·0
Northern Ireland
North
Scotland
Wales
North West
South West
Yorkshire & Humberside
United Kingdom
West Midlands
East Midlands
East Anglia
South East
1976
1977
1978
1979
1980
1981

Wage rates and earnings

		Unadjusted		Seasonally adjusted[1]							
		31 July 1972 = 100[2]		January 1976 = 100						1975 = 100	
		Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
		All industries and services	Manufacturing industry	Whole economy	*Percentage increase on year earlier*	Index of production industries	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1971		89·0	89·3	..	..	..	..	..	..	54·5	56·8
1972		101·3	101·5	..	..	..	..	..	..	59·1	59·2
1973		115·2	114·6	..	..	..	..	..	..	63·0	62·1
1974		138·0	134·3	..	..	..	..	..	..	76·6	76·6
1975		178·7	174·4	..	..	..	..	..	..	100·0	100·0
1976		213·2	209·0	106·1	..	106·3	..	106·2	..	109·2	111·2
1977		227·3	218·9	115·6	*9·0*	117·2	*10·3*	117·1	*10·2*	118·0	120·8
1978		259·3	258·8	130·6	*13·0*	134·3	*14·6*	134·0	*14·5*	130·3	134·9
1979		298·1	297·5	150·8	*15·5*	154·9	*15·3*	154·8	*15·5*	150·4	154·3
1980		351·8	348·5	182·1	*20·7*	183·9	*18·8*	182·5	*17·9*	183·4	189·4
1981		387·2	381·1								
1977	*1*	223·3	215·7	112·4	*10·7*	113·8	*12·0*	113·4	*11·9*	115·2	115·5
	2	225·9	217·9	113·9	*8·8*	116·0	*10·2*	114·8	*9·9*	115·9	118·8
	3	228·7	220·2	116·3	*7·8*	117·7	*8·6*	117·7	*8·6*	119·0	122·2
	4	231·2	221·7	120·0	*8·9*	122·3	*10·5*	122·5	*10·6*	121·8	126·8
1978	*1*	237·8	226·1	123·8	*10·2*	126·6	*11·2*	126·8	*11·8*	126·1	129·0
	2	260·6	263·9	129·2	*13·5*	132·9	*15·6*	132·4	*15·3*	128·5	132·5
	3	265·8	267·9	133·0	*14·4*	136·7	*16·2*	136·2	*15·7*	131·6	135·7
	4	273·0	277·5	136·5	*13·8*	141·0	*15·3*	140·7	*14·9*	134·7	142·4
1979	*1*	284·9	284·5	141·0	*13·9*	145·1	*14·6*	145·4	*14·7*	142·6	147·6
	2	292·2	291·3	146·6	*13·4*	152·1	*14·5*	152·7	*15·4*	144·2	148·9
	3	299·9	296·4	153·9	*15·7*	155·9	*14·0*	155·0	*13·8*	154·7	156·8
	4	315·3	318·0	161·8	*18·5*	166·4	*18·0*	166·2	*18·1*	160·2	163·9
1980	*1*	334·9	336·5	168·8	*19·7*	172·4	*18·8*	170·6	*17·3*	169·4	174·3
	2	348·3	345·3	178·0	*21·4*	180·8	*18·8*	179·9	*17·8*	180·1	186·2
	3	357·4	349·9	188·1	*22·2*	189·4	*21·5*	188·3	*21·4*	191·6	196·1
	4	366·6	362·3	193·3	*19·5*	193·2	*16·1*	191·3	*15·1*	192·9	201·0
1981	*1*	377·0	372·5	196·7	*16·5*	200·0	*16·0*	196·9	*15·4*	197·0	202·5†
	2	385·5	379·3	201·2	*13·0*	203·0	*12·3*	200·5	*11·5*	201·4	202·1
	3	391·0	382·9	209·6	*11·4*	213·0	*12·4*	212·0	*12·6*	204·6	206·3
	4	395·3	389·5	214·7	*11·0*[5]	218·0[5]	*12·8*[5]	216·8[5]	*13·3*[5]		
1979	*O*	303·1	298·4	158·8	*16·8*	163·6	*16·4*	163·5	*16·4*	..	162·0
	N	319·4	327·3	162·0	*19·1*	166·3	*18·5*	166·0	*18·8*	..	164·4
	D	323·4	328·5	164·5[4]	*19·6*[4]	169·2[4]	*19·0*[4]	169·1[4]	*19·1*[4]	..	165·4
1980	*J*	332·9	335·5	164·6[4]	*20·2*[4]	169·0[4]	*19·7*[4]	167·6[4]	*19·0*[4]	..	169·7
	F	335·0	336·6	169·0[4]	*18·6*[4]	171·8[4]	*18·4*[4]	170·0[4]	*16·8*[4]	..	174·3
	M	336·9	337·4	172·8[4]	*20·3*[4]	176·4[4]	*18·3*[4]	174·1[4]	*16·2*[4]	..	178·9
	A	342·2	340·6	175·1	*21·3*	178·0	*19·3*	176·4	*18·2*	..	182·8
	M	347·3	346·7	176·7	*21·3*	179·4	*18·7*	178·7	*17·6*	..	186·1
	J	355·5	348·6	182·1	*21·7*	184·8	*18·4*	184·5	*17·7*	..	189·7
	J	356·8	349·1	183·1	*18·9*	187·8	*19·8*	186·9	*18·9*	..	193·5
	A	357·3	350·0	187·3	*21·7*	189·6	*21·6*	188·5	*22·3*	..	196·2
	S	358·1	350·7	194·0	*26·1*	190·8	*23·1*	189·4	*23·1*	..	198·5
	O	359·5	351·0	190·7	*20·1*	191·3	*16·9*	189·9	*16·2*	..	199·8
	N	368·9	367·8	192·6	*18·9*	193·0	*16·1*	191·4	*15·3*	..	200·9
	D	371·4	367·9	196·6	*19·5*	195·3	*15·4*	192·6	*13·9*	..	202·3
1981	*J*	376·1	372·2	195·3	*18·6*	197·8	*17·0*	194·5	*16·0*	..	202·4†
	F	377·0	372·6	196·9	*16·5*	200·5	*16·7*	197·6	*16·2*	..	203·0
	M	378·0	372·8	197·9	*14·5*	201·7	*14·3*	198·7	*14·1*	..	202·1
	A	383·8	376·7	199·5	*13·9*	200·2	*12·5*	197·5	*12·0*	..	201·8
	M	385·4	379·1	200·0	*13·2*	201·3	*12·2*	198·9	*11·3*	..	201·5
	J	387·2	382·0	203·9	*12·0*	207·5	*12·3*	205·2	*11·2*	..	203·0
	J	390·6	382·3	205·3	*12·1*	209·7	*11·6*	208·4	*11·5*	..	205·4
	A	391·1	383·1	211·4	*12·8*	214·6	*13·2*	213·8	*13·5*	..	206·6
	S	391·3	383·4	212·1	*9·3*	214·6	*12·4*	213·7	*12·8*	..	207·0
	O	391·6	383·4	213·4	*11·9*	217·5	*13·7*	217·4†	*14·5*		206·8
	N	397·1†	392·6†	214·4†	*11·3*	217·9†	*12·9*	216·8	*13·3*†		208·6
	D	397·1	392·6	216·2[5]	*9·9*	218·6	*11·9*[5]	216·2	*12·3*[5]		
1982	*J*	399·4	393·5								

[1] The seasonal adjustment factors currently used are based on data up to December 1980.

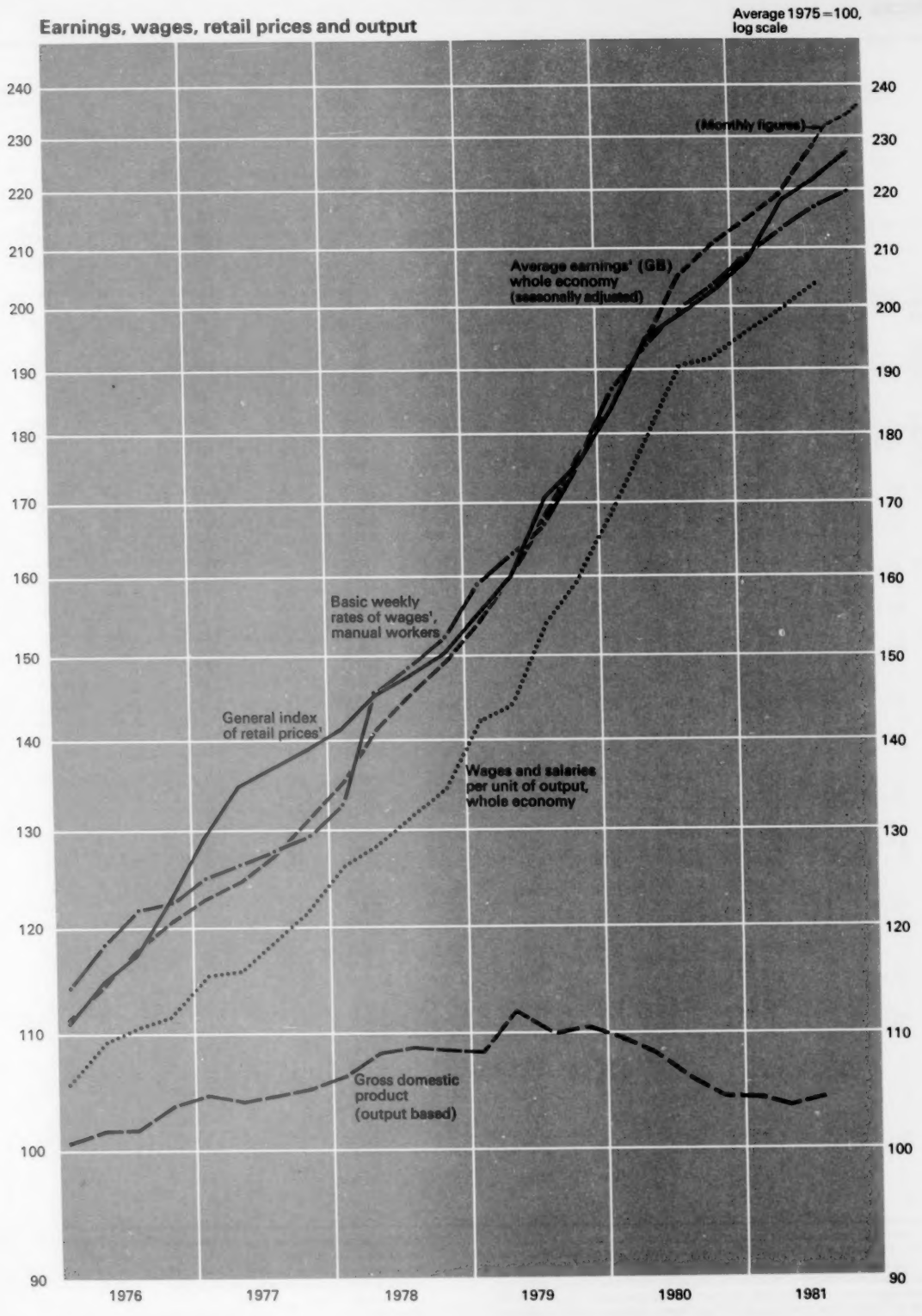
[2] Before July 1972 the series was based on 31 January 1956 = 100. Figures before July 1972 have therefore been linked.

[3] These figures are affected by the industrial dispute in the engineering industries.

[4] Owing to the dispute in the steel industry insufficient information is available to enable a reliable index for 'metal manufacture' to be calculated for this month but the best possible estimate has been used in the compilation of the indices for all manufacturing and, whole economy and Index of production industries.

[5] Provisional.

Earnings, wages, retail prices and output



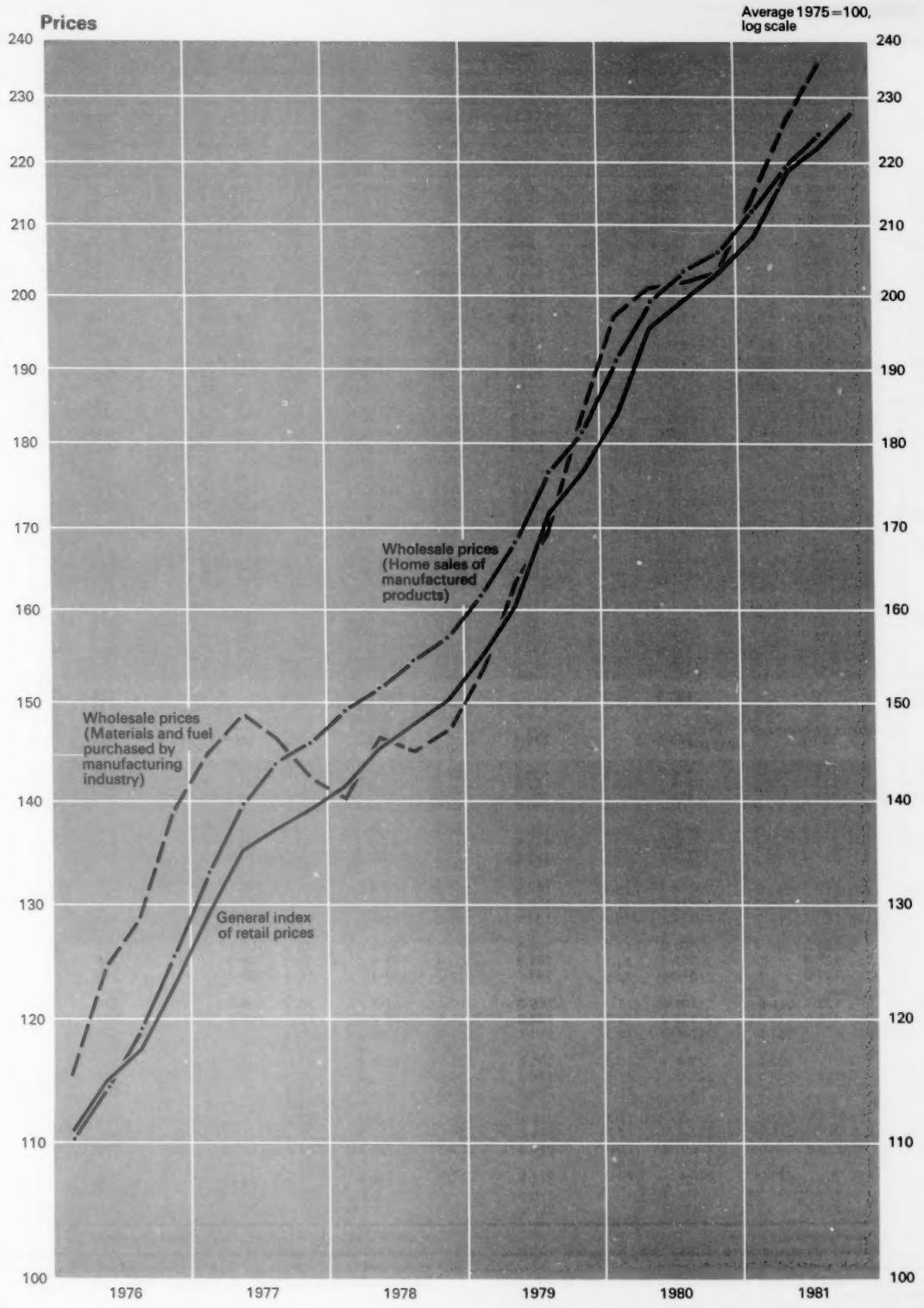
[1] Quarterly average of monthly figures

Prices

Unadjusted

	Average 1975 =100										Average 1975 =100p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978	144·6	153·3	146·2	*8·3*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1979	167·6	172·0	165·8	*13·4*	171·3	164·3	165·9	*13·3*	168·0	167·6	60
1980	200·9	200·0	195·6	*18·0*	191·9	196·5	196·3	*18·4*	195·7	194·6	51
1981			218·9	*11·9*	208·2	221·6	219·8	*11·9*			
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979 *1*	153·4	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·5	65
2	163·3	168·0	160·7	*10·6*	169·9	158·3	160·2	*10·4*	163·4	162·9	62
3	169·9	176·4	171·4	*16·0*	173·9	170·6	171·9	*16·0*	171·8	171·7	58
4	183·9	181·8	176·2	*17·3*	178·0	175·7	176·7	*17·2*	177·6	177·2	57
1980 *1*	197·2	191·4	184·6	*19·1*	185·7	184·1	184·8	*19·5*	185·7	184·9	54
2	201·3	199·0	195·3	*21·5*	192·0	196·1	195·8	*22·3*	194·1	193·5	51
3	201·9	203·6	199·4	*16·4*	194·5	200·7	200·4	*16·5*	199·2	197·9	50
4	203·3	206·1	203·2	*15·3*	195·5	205·1	204·3	*15·6*	203·7	201·9	49
1981 *1*	213·8	212·3	208·0	*12·7*	201·6	209·5	209·0	*13·1*	209·8	208·2	48
2	225·8	219·4	218·1	*11·7*	207·8	220·8	218·9	*11·8*	216·4	215·7	46
3	235·9	224·1	221·9	*11·2*	209·2	225·2	223·0	*11·3*	220·1	219·6	45
4			227·4	*11·9*	214·2	230·8	228·2	*11·7*	225·6	225·1	
1980 *A*	202·3	197·0	193·5	*21·8*	190·6	194·2	193·9	*22·4*	..	..	52
M	200·4	199·0	195·3	*21·9*	191·8	196·1	195·9	*22·6*	..	..	51
J	201·1	201·0	197·1	*21·0*	193·5	198·0	197·7	*21·7*	..	..	51
J	201·7	202·7	198·7	*16·9*	195·0	199·6	199·3	*17·0*	..	..	50
A	201·8	203·5	199·2	*16·3*	194·3	200·4	200·2	*16·5*	..	..	50
S	202·1	204·6	200·4	*15·9*	194·3	202·0	201·6	*16·1*	..	..	50
O	201·4	205·3	201·7	*15·4*	194·5	203·5	202·9	*15·7*	..	..	50
N	203·4	206·2	203·3	*15·3*	195·0	205·5	204·5	*15·7*	..	..	49
D	205·1	206·7	204·5	*15·1*	197·1	206·4	205·5	*15·4*	..	..	49
1981 *J*	209·7	209·9	205·7	*13·0*	200·1	207·2	206·7	*13·4*	..	..	49
F	214·0	211·9	207·6	*12·5*	201·7	209·0	208·6	*12·8*	..	..	48
M	217·8	215·1	210·7[6]	*12·6*	203·0[6]	212·4[6]	211·6[6]	*12·9*	..	..	47
A	221·3	218·0	216·8	*12·0*	205·7	219·7	217·7	*12·3*	..	..	46
M	226·1	219·2	218·2	*11·7*	207·6	220·9	218·9	*11·7*	..	..	46
J	229·9	221·1	219·4	*11·3*	210·1	221·9	220·1	*11·3*	..	..	46
J	233·0	222·2	220·4	*10·9*	209·8	223·2	221·2	*11·0*	..	..	45
A	236·8	224·1	222·0	*11·5*	208·0	225·6	223·4	*11·5*	..	..	45
S	237·9	225·9	223·3	*11·4*	209·8	226·8	224·5	*11·4*	..	..	45
O	238·2[5]	227·8	225·3	*11·7*	212·1	228·8	226·3	*11·5*	..	..	44
N	236·8[5]	229·4†	227·7	*12·0*	214·2	231·3	228·6	*11·8*	..	..	44
D	236·8[5]	230·5[5]	229·1	*12·0*	216·4	232·4	229·8	*11·8*	..	..	44
1982 *J*	238·7[5]	232·9[5]	230·4	*12 0*	222·1	232·5	230·6	*11·5*			
F											
M											

[1] All items except housing.
[2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices.
[5] Provisional.
[6] Estimated.

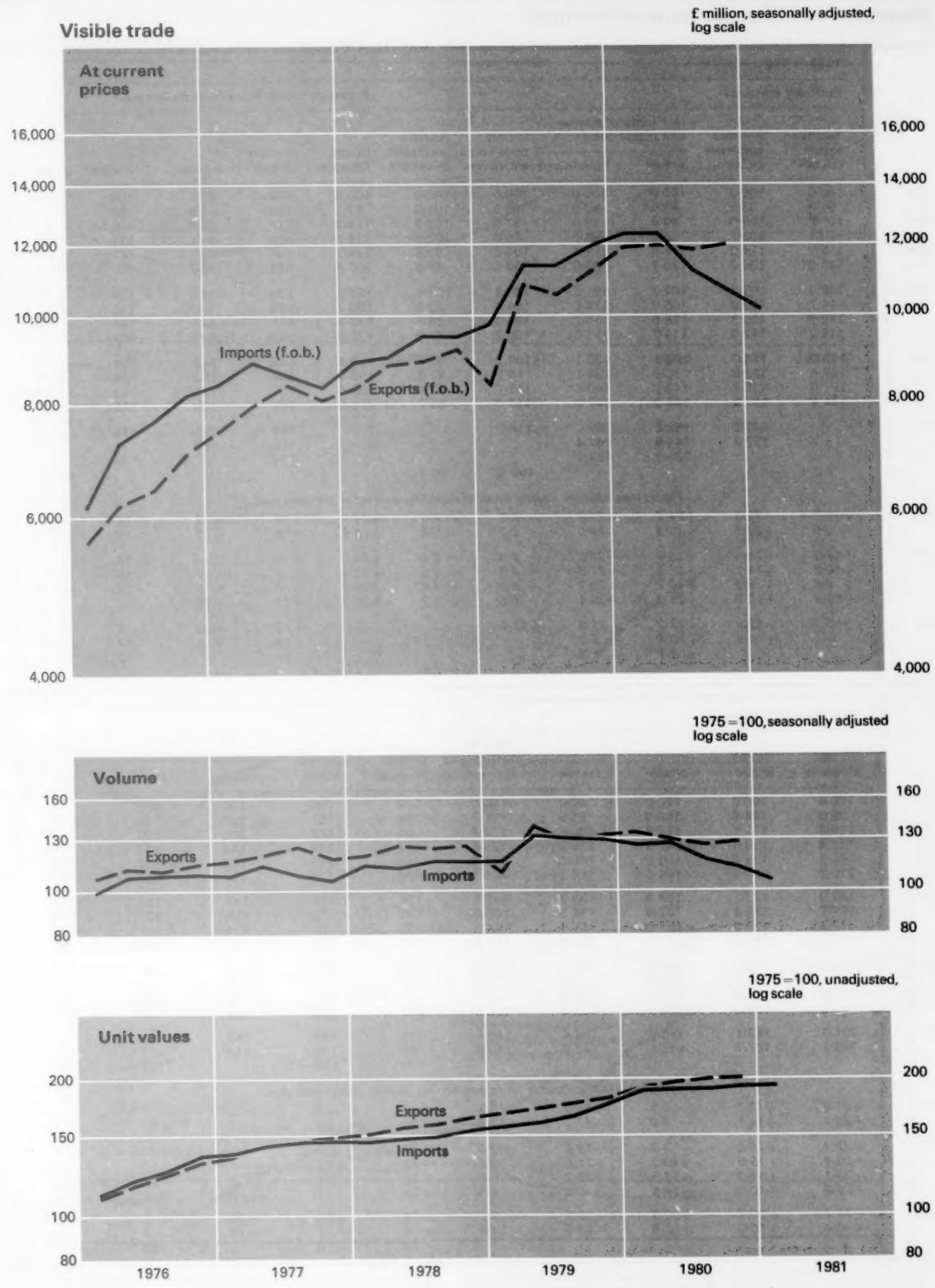

Prices
Average 1975=100, log scale
240
230
220
210
200
190
180
170
160
150
140
130
120
110
100
Wholesale prices (Home sales of manufactured products)
Wholesale prices (Materials and fuel purchased by manufacturing industry)
General index of retail prices
1976
1977
1978
1979
1980
1981

Visible trade

		Seasonally adjusted		Unadjusted			
		1975 =100		1975 =100			1975 =100
		Volume indices[1]		Unit value indices[1]			
		Exports	Imports	Exports	Imports	Terms of trade[2]	World commodity prices index[3]
1970		81·1	81·8	50·8	42·8	118·8	31
1971		85·9	85·5	53·7	44·8	119·8	33
1972		85·6	95·2	56·8	46·9	121·1	36
1973		97·2	108·4	64·0	60·0	106·8	54
1974		104·2	109·5	81·6	87·7	93·1	99
1975		100·0	100·0	100·0	100·0	100·0	100
1976		109·9	105·8	119·6	122·2	97·9	130
1977		118·4	107·7	141·5	141·3	100·2	149
1978		121·5	112·8	155·5	146·8	105·9	138
1979		125·6	125·6	171·8	161·6	106·3	162
1980		127·9	119·1	192·9	185·9	103·8	214
1981							256[5]
1977	*1*	115·5	107·4	134·9	137·1	98·4	152
	2	118·5	112·0	140·6	140·8	99·9	155
	3	123·2	107·6	144·3	143·4	100·6	149
	4	116·4	103·9	146·4	143·9	101·8	142
1978	*1*	118·5	111·4	149·6	141·9	105·4	136
	2	122·6	110·2	153·7	146·5	104·9	143
	3	121·4	115·1	157·6	148·1	106·4	138
	4	123·4	114·4	161·1	150·8	106·8	138
1979	*1*	108·1	114·5	166·0	153·9	107·8	141
	2	136·3	130·2	169·2	158·5	106·8	158
	3	128·0	129·0	173·2	161·7	107·1	162
	4	130·1	128·9	178·8	172·4	103·7	185
1980	*1*	131·4	124·5	187·3	185·3	101·1	211
	2	128·5	125·8	191·7	185·5	103·4	216
	3	124·8	115·6	195·7	185·5	105·5	214
	4	126·8	110·3	197·0	187·2	105·2	215
1981	*1*	..	103·8	..	189·9	..	228
	2	..	..	..	..	..	249
	3	..	..	..	..	..	277†
	4	133·7	125·6	216·1	216·5	99·8	271[5]
1980	*J*	135·7	123·0	185·2	182·7	101·4	206
	F	132·2	126·4	187·5	185·6	101·0	210
	M	126·5	124·1	189·2	187·7	100·8	218
	A	127·8	130·5	190·8	185·8	102·7	218
	M	130·1	123·0	191·1	185·5	103·0	214
	J	127·4	123·9	193·3	185·1	104·4	213
	J	129·6	118·4	195·0	185·5	105·1	213
	A	120·9	117·9	196·2	185·1	106·0	214
	S	124·0	110·6	195·9	186·1	105·3	212
	O	125·5	107·0	197·4	187·8	105·1	211
	N	127·8	111·4	195·9	185·6	105·6	216
	D	127·0	112·4	197·7	188·3	105·0	218
1981	*J*	123·7	101·0	199·0	187·0	106·4	220
	F	119·5	109·2	198·8	189·1	105·2	227
	M	..	101·3	..	193·5	..	234
	A	..	101·4	..	197·4	..	240
	M	..	..	..	..	..	248
	J	..	..	..	..	..	260
	J	..	..	..	..	..	272
	A	..	..	..	..	..	280
	S	128·8	129·9	211·0	211·0	100·0	278†
	O	132·6	120·2	214·3	216·6	98·9	278†
	N	136·7†	134·7	216·9†	216·5	100·2†	266[4]
	D	131·9	122·0	217·2	216·3	100·4	268[5]
1982	*J*						268[5]

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional.
[5] Projection by the Department of Industry.

Note: Owing to industrial action UK visible trade figures for some months in 1981 are not currently available.


Visible trade
£ million, seasonally adjusted, log scale
At current prices
16,000
14,000
12,000
10,000
8,000
6,000
4,000
Imports (f.o.b.)
Exports (f.o.b.)
1975 = 100, seasonally adjusted log scale
Volume
160
130
100
80
Exports
Imports
1975 = 100, unadjusted, log scale
Unit values
200
150
100
80
Exports
Imports
1976
1977
1978
1979
1980
1981

Measures of UK trade competitiveness

1975 = 100

		Summary measures[1]						Export unit value index for manufactures[3]				
		Relative export prices[2]	Relative wholesale prices[2]	IMF index of relative unit labour costs[2] Actual	IMF index of relative unit labour costs[2] Normalised	Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976		96·9	93·9	93·0†	93·9	96·3	101·2	97·2	107	99	98	102
1977		101·8	100·0	90·0	89·9	97·6	102·7	111·7	112	108	105	110
1978		108·1	103·1	95·6	96·0	99·6	102·9	136·2	121	131	121	131
1979		115·3	114·2	111·6	111·4	104·6	99·8	164·1	140	141	141	147
1980		128·8†	130·7	139·7	137·0	109·0	97·3	200·8	153	150	157	156
1979	1	110·7	105·3	101·7	101·3†	100·8	102·8	152·0	134	142	134	143
	2	114·7	112·9	108·0	110·1	104·4	99·9	158·2	139	140	136	140
	3	119·6	120·9	118·6	116·7	108·0	98·8	173·3	141	145	144	148
	4	116·2	117·6	118·2	117·5	105·2	97·9	172·9	145	141	149	155
1980	1	123·4	124·7	130·6	126·1	103·2	97·7	188·5	146	142	154	157
	2	126·4	128·8	136·9	134·1	110·1	97·4	195·6	149	150	156	155
	3	131·0	132·2	142·0	140·8	111·1	97·4	208·4	155	152	163	160
	4	134·6	137·2	149·3	147·0	112·0	96·7	210·5	161	159	155	152
1981	1		140·6	152·8	153·7	114·7	..		165	165	144	136
	2		137·2	144·6	147·4	..	..		169	159	134	127
	3			133·1	138·1	..	..		174		132	
	4					109·6	99·1					
		Percentage change, quarter on corresponding quarter of previous year.										
1979	3	*+10·7*	*+18·3*	*+24·7*	*+21·3*	*+ 9·1*	*− 4·5*	*+24·8*	*+18*	*+ 2*	*+14*	*+13*
	4	*+ 6·0*	*+14·8*	*+19·3*	*+19·9*	*+ 6·6*	*− 5·6*	*+18·0*	*+15*	*− 1*	*+16*	*+11*
1980	1	*+11·5*	*+18·4*	*+28·4*	*+24·5*	*+ 2·4*	*− 5·0*	*+24·0*	*+ 9*	*—*	*+15*	*+10*
	2	*+10·2*	*+14·1*	*+26·8*	*+21·8*	*+ 5·5*	*− 2·5*	*+23·6*	*+ 7*	*+ 7*	*+15*	*+11*
	3	*+ 9·5*	*+ 9·3*	*+19·7*	*+20·7*	*+ 2·9*	*− 1·4*	*+20·3*	*+10*	*+ 5*	*+13*	*+ 8*
	4	*+15·8*	*+16·7*	*+26·3*	*+25·1*	*+ 6·5*	*− 1·2*	*+21·7*	*+11*	*+13*	*+ 4*	*− 2*
1981	1		*+12·8*	*+17·0*	*+21·9*	*+11·1*	..		*+13*	*+16*	*− 6*	*−13*
	2		*+ 6·5*	*+ 5·6*	*+ 9·9*	..	..		*+13*	*+ 6*	*−14*	*−18*
	3			*− 6·3*	*− 1·9*	..	..		*+12*		*−19*	
	4					*− 2·1*	*+ 2·5*					

		Wholesale price index[3]					Unit labour costs index[3]				
		United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976		95·3	104·6	104·9	96·5	101·2	90	101	100	94	96
1977		110·8	111·1	117·8	100·6	112·8	95	107	115	100	110
1978		132·8	119·4	148·5	119·8	131·9	117	114	144	117	130
1979		164·9	133·8	150·2	140·6	151·4	148	122	135	132	146
1980		210·2	152·8	166·6	165·2	164·1	199	136	131	151	158
1979	1	147·0	127·1	154·8	133·9	145·6	134	119	147	131	145
	2	157·7	131·4	147·8	134·3	145·4	139	122	135	127	139
	3	177·7	135·8	153·0	144·3	154·1	158	123	134	131	146
	4	177·1	140·7	145·0	152·4	160·4	159	125	122	140	153
1980	1	194·7	147·4	149·3	160·1	164·2	177	129	118	145[4]	154
	2	205·2	151·1	162·9	163·6	164·4	191	135	126	148[4]	156
	3	218·8	154·8	173·7	172·0	168·7	210	139	138	158[4]	165
	4	221·9	158·0	180·5	165·0	159·0	216	139	144	154[4]	157
1981	1	221·3	163·1	182·9	154·4	149·1	210	142	147	153[4]	140
	2	206·1	167·1	172·1	142·4	140·0	189	145	142	137[4]	131
	3						170	148		127[4]	125
		Percentage change, quarter on corresponding quarter of previous year.									
1979	3	*+31·6*	*+12·7*	*− 4·3*	*+15·5*	*+16·7*	*+34†*	*+8*	*−14*	*+ 7*	*+12*
	4	*+25·7*	*+14·1*	*− 9·9*	*+17·2*	*+13·2*	*+25*	*+8*	*−22*	*+12*	*+ 9*
1980	1	*+32·4*	*+16·0*	*− 3·6*	*+19·6*	*+12·8*	*+32*	*+8*	*−20*	*+11*	*+ 6*
	2	*+30·1*	*+15·0*	*+10·2*	*+21·8*	*+13·1*	*+37*	*+11*	*− 7*	*+17*	*+12*
	3	*+23·1*	*+14·0*	*+13·5*	*+19·2*	*+ 9·5*	*+33*	*+14*	*+ 3*	*+21*	*+13*
	4	*+25·3*	*+12·3*	*+24·5*	*+ 8·3*	*− 0·9*	*+36*	*+11*	*+18*	*+10*	*+ 3*
1981	1	*+13·7*	*+10·7*	*+22·5*	*− 3·6*	*− 9·2*	*+19*	*+10*	*+25*	*+ 6*	*− 9*
	2	*+ 0·4*	*+10·6*	*+ 5·6*	*−13·0*	*−14·8*	*− 1*	*+ 7*	*+13*	*− 7*	*−16*
	3						*−19*	*+ 6*		*−20*	*−24*

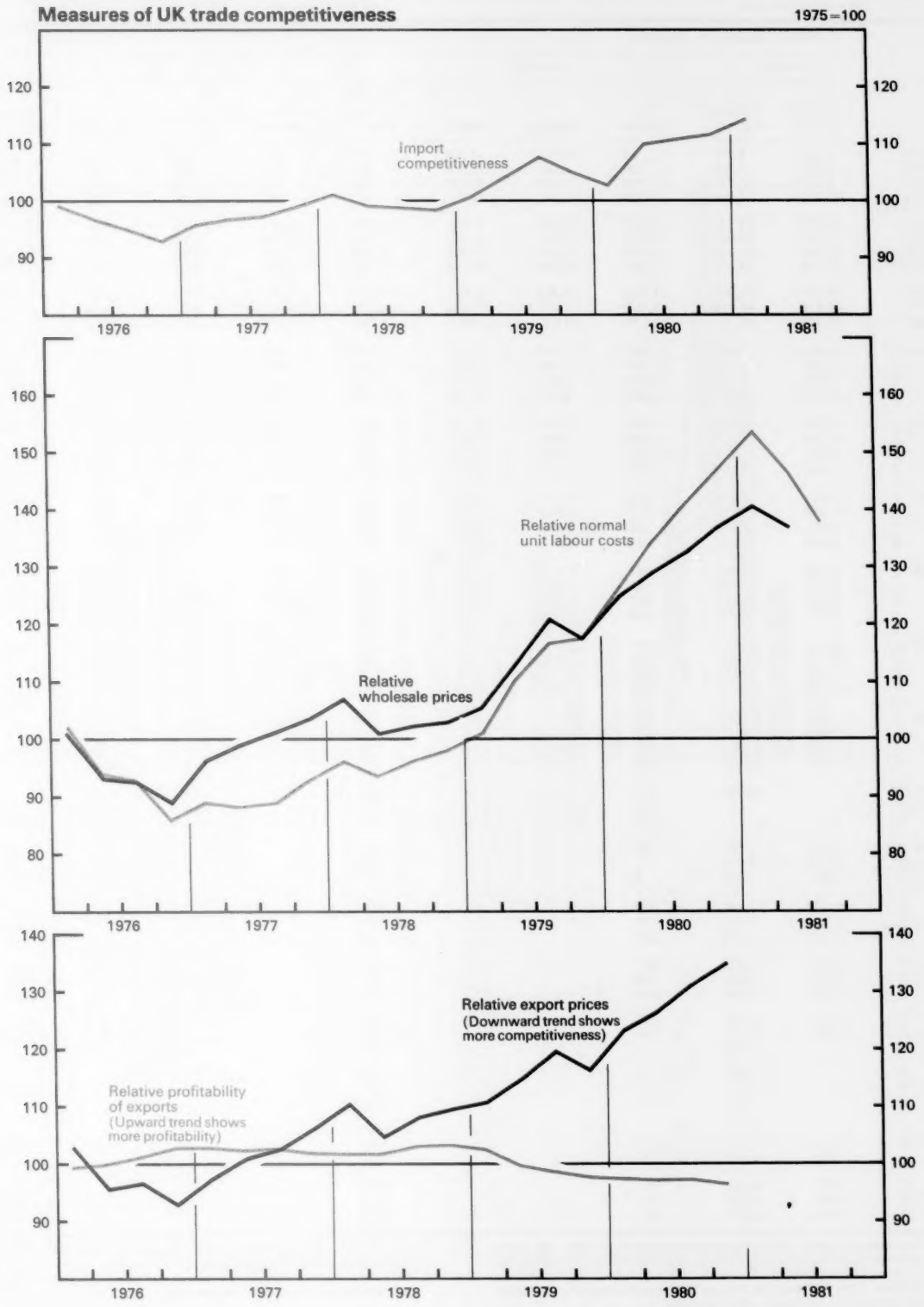
[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in *Economic Trends*, No. 319, May 1980.

[2] Downwards movements indicate greater competitiveness.

[3] All the indices are in terms of US dollars.

[4] Provisional.

Measures of UK trade competitiveness



Balance of payments: current account

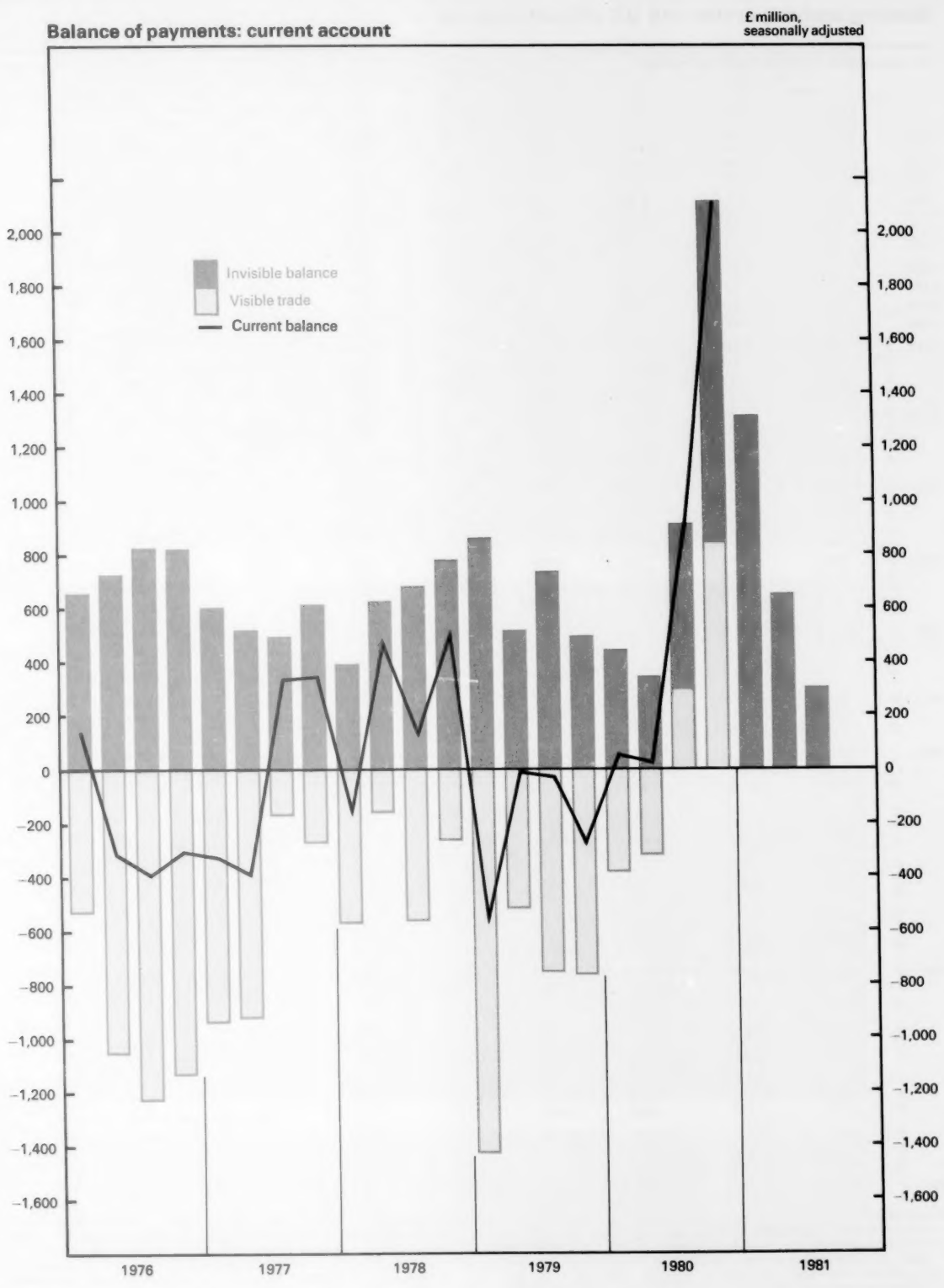
£ million, seasonally adjusted

	Visible trade[1]			Invisibles						
						Balance				
	Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
1970	8,150	8,184	− 34	5,126	4,269	+ 857	+ 481	+ 554	− 178	+ 823
1971	9,043	8,853	+ 190	5,697	4,763	+ 934	+ 625	+ 502	− 193	+1,124
1972	9,437	10,185	− 748	6,300	5,305	+ 995	+ 701	+ 538	− 244	+ 247
1973	11,937	14,523	−2,586	8,506	6,901	+1,605	+ 786	+1,257	− 438	− 981
1974	16,394	21,745	−5,351	10,511	8,433	+2,078	+1,083	+1,415	− 420	−3,273
1975	19,330	22,663	−3,333	11,467	9,655	+1,812	+1,519	+ 773	− 480	−1,521
1976	25,191	29,120	−3,929	15,000	11,952	+3,048	+2,443	+1,365	− 760	− 881
1977	31,728	34,012	−2,284	16,788	14,545	+2,243	+3,254	+ 104	−1,115	− 41
1978	35,063	36,605	−1,542	18,958	16,477	+2,481	+3,711	+ 592	−1,822	+ 939
1979	40,678	44,136	−3,458	23,694	21,099	+2,595	+4,039	+ 846	−2,290	− 863
1980	47,389	46,211	+1,178	25,532	23,588	+1,944	+4,178	− 112	−2,122	+3,122
1975 *1*	4,658	5,602	− 944	2,812	2,316	+ 496†	+ 368	+ 201	− 73	− 448
2	4,594	5,307	− 713	2,759	2,387	+ 372	+ 376	+ 142	− 146	− 341
3	4,806	5,836	−1,030	2,842	2,414	+ 428	+ 360	+ 180	− 112	− 602
4	5,272	5,918	− 646	3,054	2,538	+ 516	+ 415	+ 250	− 149	− 130
1976 *1*	5,599	6,123	− 524	3,382	2,719	+ 663	+ 563	+ 294	− 194	+ 139
2	6,164	7,212	−1,048	3,612	2,881	+ 731	+ 548	+ 350	− 167	− 317
3	6,400	7,627	−1,227	3,889	3,060	+ 829	+ 648	+ 369	− 188	− 398
4	7,028	8,158	−1,130	4,117	3,292	+ 825	+ 684	+ 352	− 211	− 305
1977 *1*	7,437	8,370	− 933	4,074	3,467	+ 607	+ 730	+ 122	− 245	− 326
2	7,914	8,831	− 917	4,144	3,623	+ 521	+ 818	− 16	− 281	− 396
3	8,354	8,520	− 166	4,260	3,761	+ 499	+ 831	− 10	− 322	+ 333
4	8,023	8,291	− 268	4,310	3,694	+ 616	+ 875	+ 8	− 267	+ 348
1978 *1*	8,282	8,844	− 562	4,417	4,021	+ 396	+ 885	+ 56	− 545	− 166
2	8,790	8,949	− 159	4,615	3,986	+ 629	+ 814	+ 225	− 410	+ 470
3	8,854	9,411	− 557	4,884	4,203	+ 681	+ 989	+ 172	− 480	+ 124
4	9,137	9,401	− 264	5,042	4,267	+ 775	+1,023	+ 139	− 387	+ 511
1979 *1*	8,310	9,736	−1,426	5,513	4,654	+ 859	+ 984	+ 396	− 521	− 567
2	10,765	11,280	− 515	5,656	5,143	+ 513	+ 944	+ 91	− 522	− 2
3	10,488	11,241	− 753	6,171	5,440	+ 731	+1,032	+ 322	− 623	− 22
4	11,115	11,879	− 764	6,354	5,862	+ 492	+1,079	+ 37	− 624	− 272
1980 *1*	11,876	12,261	− 385	6,413	5,965	+ 448	+1,068	− 115	− 505	+ 63
2	11,915	12,237	− 322	6,523	6,180	+ 343	+1,034	− 30	− 661	+ 21
3	11,707	11,087	+ 620	6,050	5,746	+ 304	+ 965	− 36	− 625	+ 924
4	11,891	10,626	+1,265	6,546	5,697	+ 849	+1,111	+ 69	− 331	+2,114
1981 *1*[3]	..	10,036	..	7,167	5,844	+1,323	+1,098	+ 339	− 114	..
2	..	..	..	6,730	6,071	+ 659	+1,003	+ 414	− 758	..
3	..	..	..	6,947	6,644	+ 303	+ 867	+ 154	− 718	..
1980 *A*	3,953	4,252	− 299	..	..	+ 114[2]	..	..	..	− 185
M	4,016	4,031	− 15	..	..	+ 114[2]	..	..	..	+ 99
J	3,946	3,954	− 8	..	..	+ 115[2]	..	..	..	+ 107
J	4,050	3,748	+ 302	..	..	+ 101[2]	..	..	..	+ 403
A	3,784	3,811	− 27	..	..	+ 101[2]	..	..	..	+ 74
S	3,873	3,528	+ 345	..	..	+ 102[2]	..	..	..	+ 447
O	3,943	3,438	+ 505	..	..	+ 283[2]	..	..	..	+ 788
N	3,948	3,540	+ 408	..	..	+ 283[2]	..	..	..	+ 691
D	4,000	3,648	+ 352	..	..	+ 283[2]	..	..	..	+ 635
1981 *J*	4,006	3,264	+ 742	..	..	+ 441[2]	..	..	..	+1,183
F	3,833	3,519	+ 314	..	..	+ 441[2]	..	..	..	+ 755
M	..	3,253	..	..	..	+ 441[2]	..	..	..	..
A	..	3,307	..	..	..	+ 220[2]	..	..	..	..
M	..	..	..	..	..	+ 220[2]	..	..	..	..
J	..	..	..	..	..	+ 219[2]	..	..	..	..
J	..	..	..	..	..	+ 101[2]	..	..	..	..
A	..	..	..	..	..	+ 101[2]	..	..	..	..
S	4,459	4,446	+ 13	..	..	+ 101[2]	..	..	..	+ 114
O	4,550	4,184	+ 366	..	..	+ 166[3]	..	..	..	+ 532
N	4,790	4,739	+ 51	..	..	+ 167[3]	..	..	..	+ 218
D	4,702	4,371	+ 331	..	..	+ 167[3]	..	..	..	+ 498

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade. Data for March to August 1981 exports and May to August imports will be published when available.

[2] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.

[3] These figures are projections and are subject to revision as the relevant statistical information becomes available.

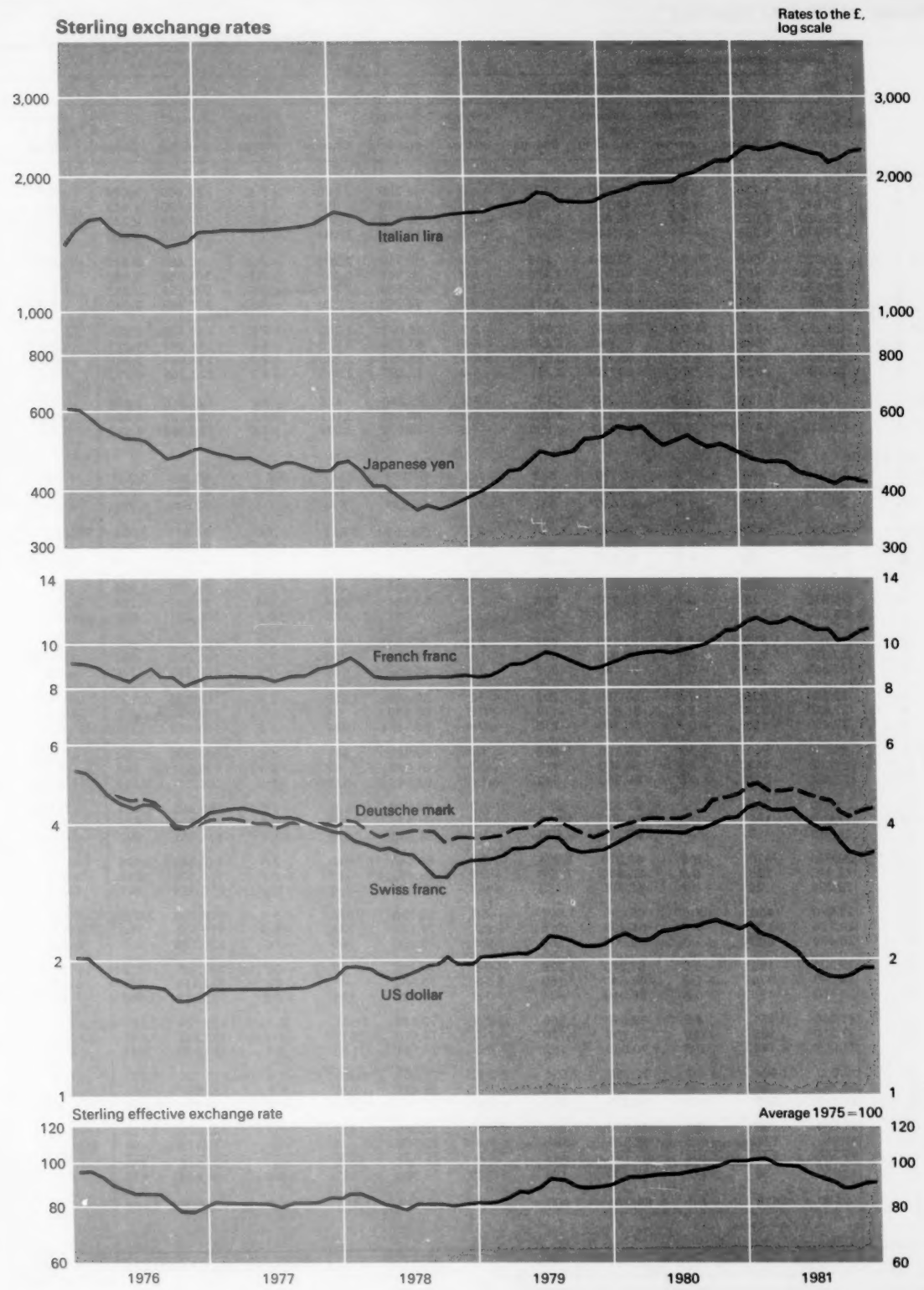

Balance of payments: current account
£ million, seasonally adjusted
Invisible balance
Visible trade
Current balance
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
−200
−400
−600
−800
−1,000
−1,200
−1,400
−1,600
1976
1977
1978
1979
1980
1981

Sterling exchange rates and UK official reserves

		Sterling exchange rate against major currencies[1]						$ million	Average 1975 = 100
		Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark	UK official reserves[2] (at end of period)	Sterling effective exchange rate
1970		857·8	2·396	10·327	13·24	1,502	8·736	2,827	128·1
1971		844·6	2·444	10·069	13·46	1,511	8·530	6,582	127·9
1972		752·3	2·502	9·554	12·62	1,460	7·975	5,646	123·3
1973		664·6	2·453	7·758	10·90	1,426	6·540	6,476	111·8
1974		682·7	2·340	6·965	11·25	1,522	6·049	6,789	108·3
1975		658·1	2·220	5·723	9·50	1,447	5·447	5,429	100·0
1976		535·4	1·805	4·521	8·61	1,497	4·552	4,129	85·7
1977		467·7	1·746	4·189	8·57	1,540	4·050	20,557	81·2
1978		402·7	1·920	3·423	8·64	1,628	3·850	15,694	81·5
1979		465·6	2·122	3·525	9·03	1,762	3·887	22,538	87·3
1980		525·6	2·328	3·894	9·82	1,992	4·227	27,476	96·1
1981		444·6	2·025	3·969	10·94	2,287	4·556	23,347	94·9
1977	*1*	488·7	1·714	4·324	8·53	1,514	4·107	9,618	80·9
	2	473·0	1·719	4·315	8·51	1,523	4·059	11,572	80·6
	3	461·8	1·735	4·160	8·49	1,532	4·005	17,171	80·8
	4	447·4	1·813	3·962	8·76	1,592	4·032	20,557	82·6
1978	*1*	458·3	1·928	3·720	9·17	1,662	4·000	20,320	84·8
	2	404·6	1·835	3·516	8·45	1,583	3·809	16,542	79·9
	3	372·2	1·932	3·241	8·46	1,617	3·875	16,511	80·6
	4	377·2	1·984	3·222	8·51	1,649	3·718	15,694	80·6
1979	*1*	406·3	2·016	3·375	8·61	1,691	3·740	21,947	82·4
	2	453·1	2·081	3·565	9·11	1,762	3·944	22,070	87·0
	3	488·6	2·234	3·657	9·46	1,825	4·059	22,692	91·3
	4	513·7	2·157	3·505	8·94	1,771	3·810	22,538	88·5
1980	*1*	548·5	2·254	3·740	9·34	1,857	3·995	26,963	93·0
	2	528·6	2·286	3·833	9·61	1,942	4·132	28,172	94·5
	3	523·2	2·382	3·885	9·81	2,008	4·226	27,637	96·7
	4	502·2	2·387	4·115	10·53	2,159	4·551	27,476	100·2
1981	*1*	474·7	2·309	4·376	11·21	2,311	4·814	28,212	101·4
	2	456·5	2·077	4·024	11·25	2,354	4·728	25,631	97·8
	3	425·7	1·839	3·852	10·66	2,234	4·469	23,696	90·6
	4	422·6	1·883	3·441	10·64	2,253	4·226	23,347	89·7
1979	*O*	493·3	2·145	3·491	9·00	1,770	3·836	22,318	88·0
	N	522·5	2·133	3·508	8·87	1,760	3·781	22,237	88·1
	D	528·0	2·198	3·517	8·94	1,785	3·813	22,538	89·6
1980	*J*	538·8	2·266	3·612	9·15	1,823	3·907	23,441	91·8
	F	558·9	2·290	3·751	9·37	1,854	4·001	23,670	93·7
	M	548·2	2·206	3·865	9·51	1,896	4·081	26,963	93·5
	A	552·2	2·216	3·855	9·60	1,934	4·142	28,008	94·3
	M	525·4	2·304	3·830	9·63	1,942	4·125	28,284	94·7
	J	509·2	2·336	3·815	9·60	1,951	4·128	28,172	94·5
	J	524·3	2·373	3·812	9·62	1,973	4·145	28,272	95·6
	A	530·8	2·371	3·914	9·83	2,008	4·242	28,291	96·8
	S	515·1	2·402	3·936	9·99	2,045	4·297	27,637	97·6
	O	505·7	2·417	4·011	10·28	2,111	4·533	28,026	99·2
	N	510·1	2·396	4·135	10·63	2,177	4·593	28,189	101·1
	D	491·1	2·346	4·184	10·70	2,194	4·620	27,476	100·2
1981	*J*	485·9	2·405	4·376	11·16	2,289	4·829	28,394	102·0
	F	471·8	2·294	4·469	11·42	2,343	4·921	28,434	102·5
	M	466·6	2·233	4·292	11·09	2,303	4·703	28,212	99·7
	A	467·9	2·179	4·292	11·13	2,345	4·707	28,066	99·2
	M	461·0	2·090	4·312	11·47	2,386	4·793	26,487	98·8
	J	442·3	1·974	4·090	11·16	2,333	4·691	25,631	95·4
	J	435·2	1·876	3·932	10·87	2,278	4·577	24,568	92·5
	A	425·2	1·821	3·953	10·89	2,267	4·558	24,511	91·2
	S	416·8	1·817	3·680	10·25	2,159	4·279	23,696	88·0
	O	426·4	1·843	3·467	10·36	2,196	4·145	23,316	88·2
	N	424·8	1·904	3·398	10·69	2,267	4·237	23,463	90·1
	D	416·5	1·905	3·458	10·89	2,300	4·301	23,347	90·7
1982	*J*	423·8	1·887	3·477	10·99	2,317	4·326	23,225	91·1
	F								

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves has been affected, since 1970, by changes in the valuation of gold, Special Drawing Rights and convertible currencies. In addition, from July 1972, the official reserves were redefined to include the reserve position in the IMF. Substantial valuation changes at March 1979 and March 1980 increased the level of reserves by $4,493 million and $3,089 million respectively. Valuation changes at March 1981 reduced the level of reserves by $257 million. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*.


Sterling exchange rates
Rates to the £, log scale
3,000
2,000
1,000
800
600
400
300
Italian lira
Japanese yen
14
10
8
6
4
2
1
French franc
Deutsche mark
Swiss franc
US dollar
Sterling effective exchange rate
Average 1975 = 100
120
100
80
60
1976
1977
1978
1979
1980
1981

Money stock and liquidity

£ million, seasonally adjusted

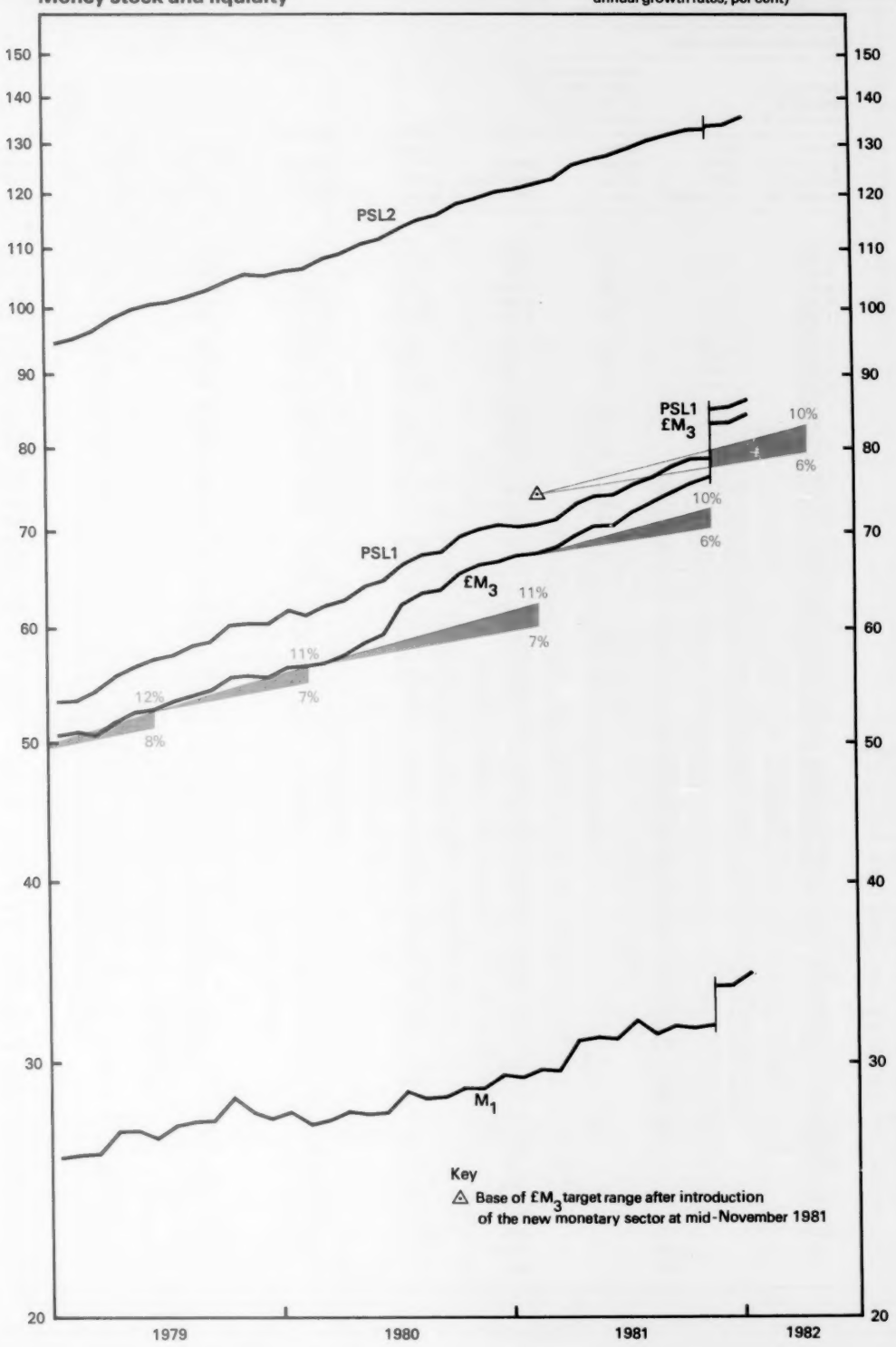
	M1			Sterling M3			PSL 1			PSL 2		
	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change	Amount outstanding	Change	Percentage change
At end period												
1978 1	24,370	1,136	+4·9	46,880	2,172	+4·9	49,280	2,560	+5·5	86,980	4,496	+5·5
2	25,010	651	+2·7	48,200	1,314	+2·8	50,130	853	+1·7	88,820	1,843	+2·1
3	26,030	1,033	+4·1	49,400	1,219	+2·5	51,859	1,745	+3·5	91,586	2,782	+3·1
4	27,070	1,056	+4·1	51,440	2,067	+4·2	53,943	2,104	+4·1	94,825	3,259	+3·6
1979 1	27,620	566	+2·1	52,390	945	+1·8	56,148	2,204	+4·1	98,468	3,642	+3·8
2	28,100	482	+1·7	54,310	1,925	+3·7	58,561	2,414	+4·3	101,969	3,502	+3·6
3	28,970	879	+3·1	55,950	1,657	+3·1	60,660	2,114	+3·6	104,737	2,783	+2·7
4	29,550	584	+2·0	58,030	2,112	+3·8	62,752	2,120	+3·5	107,749	3,040	+2·9
1980 1	29,360	−186	−0·6	59,570	1,564	+2·7	64,042	1,399	+2·2	110,426	2,786	+2·6
2	29,950	585	+2·0	62,860	3,275	+5·5	67,635	3,579	+5·6	114,667	4,227	+3·8
3	29,800	−149	−0·5	65,790	2,919	+4·6	69,937	2,289	+3·4	118,026	3,346	+2·9
4	30,730	934	+3·1	69,100	3,291	+5·0	72,895	2,940	+4·2	122,256	4,212	+3·6
1981 1	31,880	1,158	+3·8	70,250	1,131	+1·6	73,240	476	+0·7	125,315	3,035	+2·5
2	33,000	1,123	+3·5	73,310	3,055	+4·3	76,349	3,101	+4·2	130,027	4,704	+3·8
3	33,410	410	+1·2	76,600	3,296	+4·5	79,875	3,534	+4·6	134,696	4,677	+3·6
At mid-month												
1978 O	24,910	368	+1·5	48,770	632	+1·3	51,183	847	+1·7	91,263	1,332	+1·5
N	25,000	110	+0·4	48,920	170	+0·3	51,290	129	+0·3	91,796	555	+0·6
D	25,340	349	+1·4	49,430	532	+1·1	51,834	578	+1·1	92,548	786	+0·9
1979 J	25,790	473	+1·9	50,640	1,236	+2·5	53,351	1,552	+3·0	94,571	2,058	+2·2
F	25,900	133	+0·5	50,920	304	+0·6	53,512	195	+0·4	95,304	767	+0·8
M	25,910	30	+0·1	50,510	−400	−0·8	54,207	712	+1·3	96,426	1,139	+1·2
A	26,900	1,002	+3·9	51,670	1,166	+2·3	55,685	1,483	+2·7	98,359	1,938	+2·0
M	26,930	26	+0·1	52,370	686	+1·3	56,484	781	+1·4	99,593	1,216	+1·2
J	26,580	−344	−1·3	52,710	333	+0·6	57,061	568	+1·0	100,457	855	+0·9
J	27,070	512	+1·9	53,190	464	+0·9	57,491	419	+0·7	101,053	585	+0·6
A	27,310	235	+0·9	53,900	677	+1·3	58,319	796	+1·4	102,079	994	+1·0
S	27,360	53	+0·2	54,140	239	+0·4	58,867	545	+0·9	102,852	770	+0·8
O	28,390	1,029	+3·8	55,350	1,202	+2·2	60,483	1,619	+2·8	104,980	2,131	+2·1
N	27,660	−734	−2·6	55,530	172	+0·3	60,490	− 4	—	105,391	400	+0·4
D	27,460	−199	−0·7	55,340	−215	−0·4	60,185†	−344	−0·6	105,098	−332	−0·3
1980 J	27,670	217	+0·8	56,280	928	+1·7	60,981	901	+1·5	106,300	1,307	+1·2
F	27,150	−512	−1·9	56,400	111	+0·2	61,067	53	+0·1	106,871†	544	+0·5
M	27,380	230	+0·8	56,960	542	+1·0	62,016	929	+1·5	108,311	1,414	+1·3
A	27,720	336	+1·2	57,520	562	+1·0	62,828	821	+1·3	109,489	1,187	+1·1
M	27,570	−162	−0·6	58,600	1,059	+1·8	64,225	1,380	+2·2	111,029	1,523	+1·4
J	27,580	13	—	59,210	576	+1·0	64,943	678	+1·1	111,961	892	+0·8
J	28,570	970	+3·5	62,310	3,064	+5·2	66,640	1,640	+2·5	113,944	1,926	+1·7
A	28,340	−236	−0·8	63,600	1,226	+2·0	67,452	717	+1·1	115,005	966	+0·8
S	28,390	28	+0·1	63,800	133	+0·2	67,956	426	+0·6	115,924	841	+0·7
O	28,870	466	+1·6	65,460	1,602	+2·5	69,698	1,674	+2·5	118,268	2,276	+2·0
N	28,770	−129	−0·4	66,260	715	+1·1	70,129	344	+0·5	119,074	719	+0·6
D	29,470	665	+2·3	66,900	556	+0·8	70,930	702	+1·0	120,128	955	+0·8
1981 J	29,300	−178	−0·6	67,310	326	+0·5	70,725	− 97	−0·1	120,925	708†	+0·6
F	29,690	376	+1·3	67,540	150	+0·2	70,962	41	+0·1	122,118	997	+0·8
M	29 560	−135	−0·5	68,010	434	+0·6	71,187	181	+0·3	123,118	956	+0·8
A	31,010	1,451	+4·9	69,570	1,560	+2·3	73,145	1,957	+2·7	125,704	2,585	+2·1
M	31,210	195	+0·6	70,700	1,129	+1·6	74,110	971	+1·3	127,251	1,553	+1·2
J	31,060	−144	−0·5	70,850	182	+0·3	74,161	73	+0·1	127,870	641	+0·5
J	32,060	1,004	+3·2	72,380	1,564	+2·2	75,551	1,435†	+1·9	129,701	1,870	+1·5
A	31,270	−780†	−2·4	73,100†	793†	+1·1	76,417	928	+1·2	130,697	1,064	+0·8
S	31,790	540	+1·7	74,520	1,487	+2·0	77,885	1,529	+2·0	132,492	1,856	+1·4
O	31,690	− 92	−0·3	75,690	1,206	+1·6	78,755	912	+1·2	133,578	1,128	+0·9
N[1]	31,840	171	+0·5	75,970	334	+0·4	78,706	− 5	—	133,719	185	+0·1
	33,960	171	+0·6	83,170	334	+0·5	85,067	− 5	—	134,160	185	+0·1
D	33,980	30	+0·1	83,330	199	+0·2	85,388	372	+0·4	134,622	513	+0·4
1982 J	34,590	628	+1·8	84,670	1,400	+1·7	86,437	1,117	+1·3	136,008	1,454	+1·1
F												
M												

[1] The figures for amounts outstanding at 18 November 1981 show, in the first line, the amounts outstanding on the basis of the old banking sector and, in the second line, on the basis of the new monetary sector.

Up to and including 18 November 1981, changes have been calculated on the basis of the old banking sector; thereafter, changes have been calculated on the basis of the new monetary sector.

Money stock and liquidity

£ billion, seasonally adjusted, log scale
(and successive target ranges :
annual growth rates, per cent)



Counterparts to changes in money stock

Seasonally adjusted[1] **£ million**

	Domestic counterparts								
	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector						
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt	Sterling lending to UK private sector[2]	Sub-total of domestic counterparts[3]	External and foreign currency counterparts	Non-deposit liabilities (net)	Money stock sterling M_3
	1	2	3	4	5	6	7	8	9
1976	6,786	2,389	285	5,470	3,407	6,827	−2,120	−1,142	3,565
1977	4,469	1,519	546	7,907	3,188	723	3,849	− 442	4,130
1978	8,371	− 1	−299	6,360	4,698	7,007	680	− 915	6,772
1979	10,430	2,164	1,017	9,897	8,585	10,265	−2,833	− 817	6,615
1980	11,156	1,048	275	9,187	10,025	12,767	− 506	−1,347	10,914
1976 *1*	2,382	105	−141	1,339	251	1,540	− 148	− 250	1,142
2	1,315	1,004	129	1,039	685	1 836	− 933	− 139	764
3	1,952	437	123	755	860	2,371	− 692	− 389	1,290
4	1,137	843	174	2,337	1,610	1,079	− 347	− 364	368
1977 *1*	1,799	232	326	2,298	122	− 471	833	− 38	324
2	839	548	189	1,210	805	793	650	− 458	985
3	437	712	73	2,364	1,150	− 138	1,369	− 182	1,049
4	1,394	27	− 42	2,035	1,112	540	997	236	1,773
1978 *1*	1,623	− 52	−283	1,369	695	1,180	939	53	2,172
2	1,769	−186	−454	1,745	1,499	1,791	− 86	− 391	1,314
3	2,557	− 54	455	1,382	994	1,660	− 329	− 112	1,219
4	2,422	291	− 17	1,864	1,510	2,376	156	− 465	2,067
1979 *1*	1,563	1,005	355	3,104	2,338	1,447	− 413	− 89	945
2	2,583	19	−164	2,878	2,239	2,127	87	− 289	1,925
3	3,198	677	512	1,677	1,970	3,656	−1,755	− 244	1,657
4	3,086	463	314	2,230	2,038	3,043	− 752	− 179	2,112
1980 *1*	241	258	221	1,480	3,155	1,953	202	− 591	1,564
2	2,909	691	410	1,722	2,428	3,896	− 470	− 151	3,275
3	4,006	135	−154	3,106	2,696	3,885	− 633	− 333	2,919
4	4,000	− 36	−202	2,762	1,746	3,150	395	− 254	3,291
1981 *1*	1,422	−133	−538	3,853	2,058	32	1,369	− 270	1,131
2	5,320	755	− 37	3,246	801	3,667	− 138	− 474	3,055
3	3,614	−629	−226	1,713	3,059	4,557	− 655	− 606	3,296
Month ended[3]									
1979 Aug. 15	614		218	209	502	1,125	− 390	− 58	677
Sept. 19	1,226		88	811	531	1,034	− 693	− 102	239
Oct. 17	1,152		−609	−182	1,112	1,837	− 422	− 213	1,202
Nov. 21	379		70	652	983	780	− 603	− 5	172
Dec. 12	835		− 68	1,276	189	− 320	213	− 108	− 215
1980 Jan. 16	484		433	1,564	1,387	740	254	− 66	928
Feb. 20	− 245		45	510	779	69	− 2	44	111
Mar. 19	784		−125	234	364	789	− 137	− 110	542
April 16	− 66		155	660	1,297	726	− 55	− 109	562
May 21	1,152		− 57	373	595	1,317	− 33	− 225	1,059
June 18	1,734		81	767	220	1,268	− 645	− 47	576
July 16	836		367	228	2,208	3,183	208	− 327	3,064
Aug. 20	1,207		140	1,032	1,103	1,418	4	− 196	1,226
Sept. 17	967		34	1,073	723	651	− 478	− 40	133
Oct 15	999		229	974	944	1,198	586	− 182	1,602
Nov. 19	984		155	931	312	520	185	10	715
Dec. 10	999		−125	662	472	684	4	− 132	556
1981 Jan. 21	396		334†	1,005	827	552†	− 349†	123†	326
Feb. 18	412		− 89	1,298	665	−310	501	− 41	150
Mar. 18	673		191	1,715	1,054	203	325	− 94	434
April 15	2,102		119	892	406	1,735	− 276	101	1,560
May 20	2,028		500	1,415	48	1,161	79	− 111	1,129
June 17	1,689		97	965	48	869	− 277	− 410	182
July 15	2,279		−452	590	408	1,645	94	− 175	1,564
Aug. 19	283		251	899	1,457†	1,092	− 190	− 109	793†
Sept. 16	1,204		−220	181	1,206	2,009	− 317	− 205	1,487
Oct. 21	910		640	1,234	776	1,092	12	102	1,206
Nov. 18	−1,043†		106	1,355	2,551	259	− 105	180	334
Dec. 9	− 284		−243	315†	1,071	229	− 215	− 185	199
1982 Jan 20	61		531	980	1,681	1,293	346	− 239	1,400

Relationship between columns: 6 =1+2−3−4+5 =6; =6+7+89
(The figures combined in the bracket are column 2 *less* column 3.)

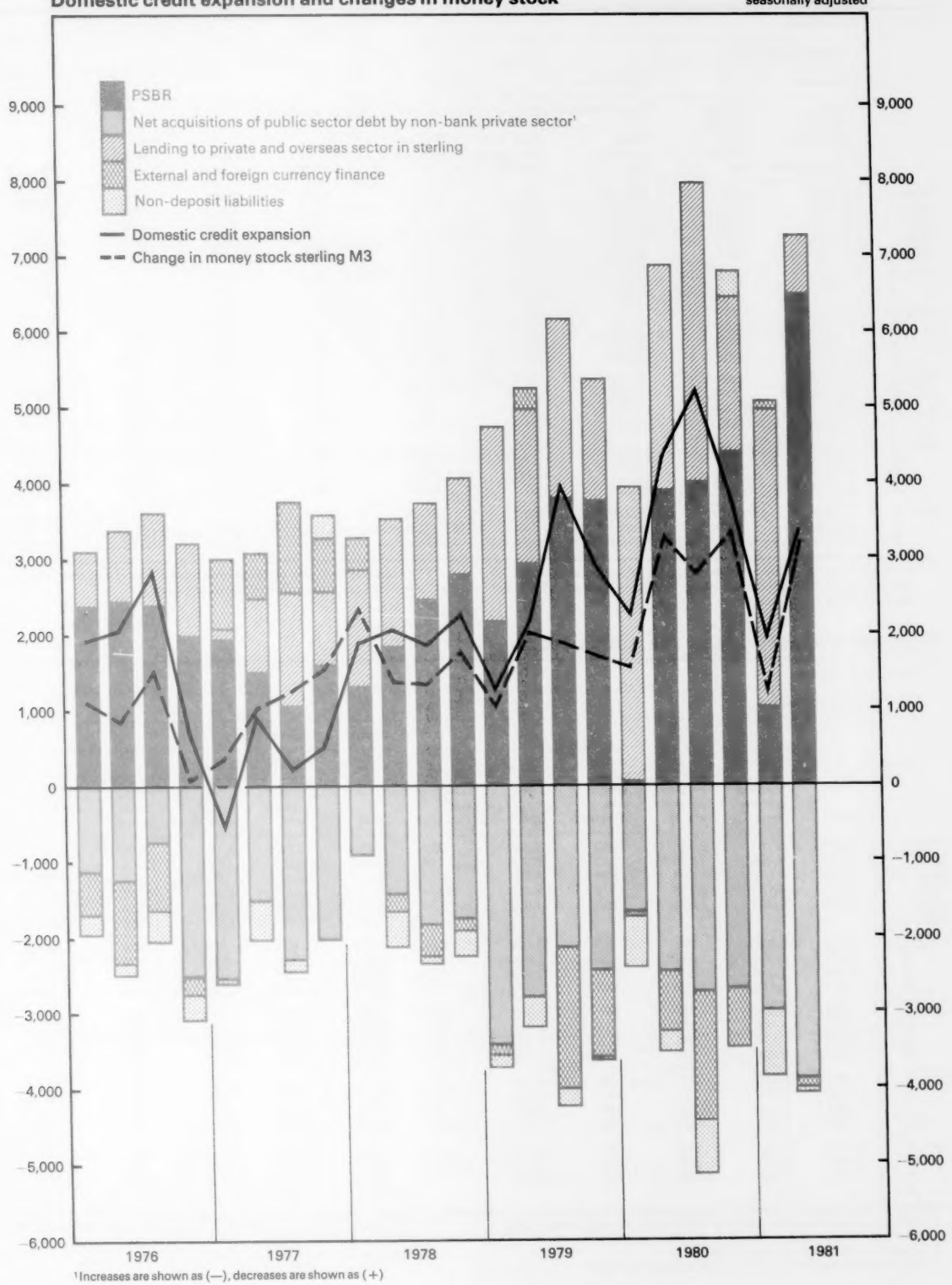
[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *less* Bank of England Issue Department holdings of commercial bills.

[3] Up to and including November 18, 1981 changes have been calculated on the basis of the old banking sector; thereafter, changes have been calculated on the basis of the new monetary sector.

Domestic credit expansion and changes in money stock

£ million, seasonally adjusted



¹Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government								
	Receipts[2]		Expenditure						
	Taxes, national insurance, etc. contributions	Trading income rent, interest, etc.	Goods and services		Current and capital transfers			Net lending, etc.[3]	Total
			Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest		
1976	44,703	5,232	26,776	5,497	17,014	1,435	5,394	2,365	58,481
1977	51,007	5,911	29,237	4,951	19,516	1,537	6,373	254	61,868
1978	56,690	6,453	32,969	4,760	23,232	2,025	7,227	1,690	71,903
1979	67,946	7,582	38,241	5,161	27,424	1,895	8,950	3,273	84,944
1980	83,359	8,914	48,285	5,800	32,523	2,282	11,285	3,493	103,668
1977 *3*	12,822	1,695	7,374	1,174	4,851	328	1,747	89	15,563
4	13,149	1,313	7,551	1,197	5,088	376	1,480	— 91	15,601
1978 *1*	14,115	1,712	7,975	1,488	5,664	695	1,978	75	17,875
2	13,531	1,501	8,087	966	5,727	408	1,455	440	17,083
3	13,903	1,688	8,259	1,147	5,784	442	1,951	730	18,313
4	15,141	1,552	8,648	1,159	6,057	480	1,843	445	18,632
1979 *1*	16,010	1,952	8,888	1,521	6,545	499	2,330	554	20,337
2	16,365	1,777	9,284	1,001	6,839	456	1,918	672	20,170
3	17,233	2,023	9,855	1,321	6,671	447	2,540	1,055	21,889
4	18,338	1,830	10,214	1,318	7,369	493	2,162	992	22,548
1980 *1*	20,765	2,124	11,098	1,718	7,835	599	3,144	159	24,553
2	18,859	2,248	11,629	1,146	8,083	531	2,328	1,441	25,158
3	21,603	2,250	12,481	1,409	8,096	625	3,288	1,169	27,068
4	22,132	2,292	13,077	1,527	8,509	527	2,525	724	26,889
1981 *1*	23,688	2,507	13,278	1,687	9,063	665	3,700	342	28,735
2	21,868	2,282	13,516	903	9,724	521	2,677	951	28,292
3	26,078	2,600	14,108	932	10,004	625	3,915	778	30,362

[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).

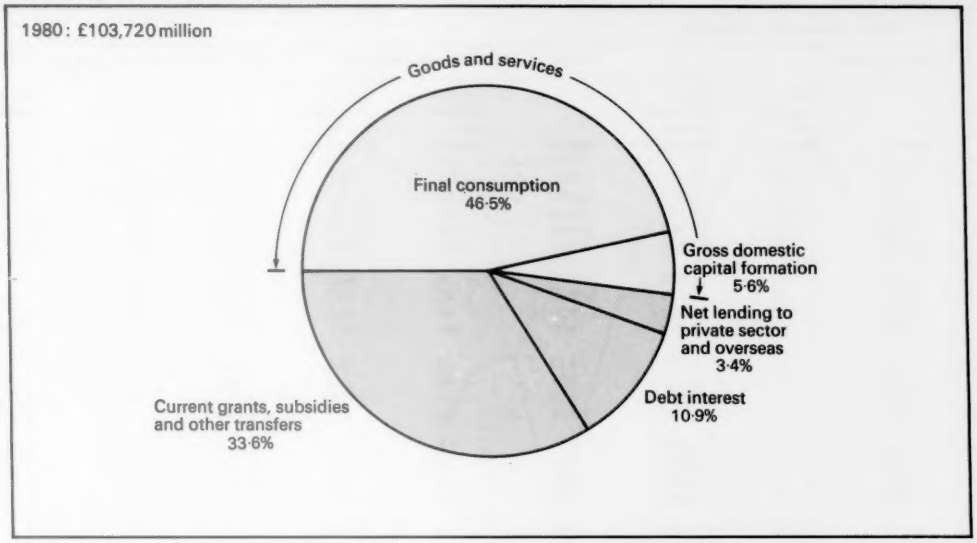
Financial transactions of the public sector

£ million

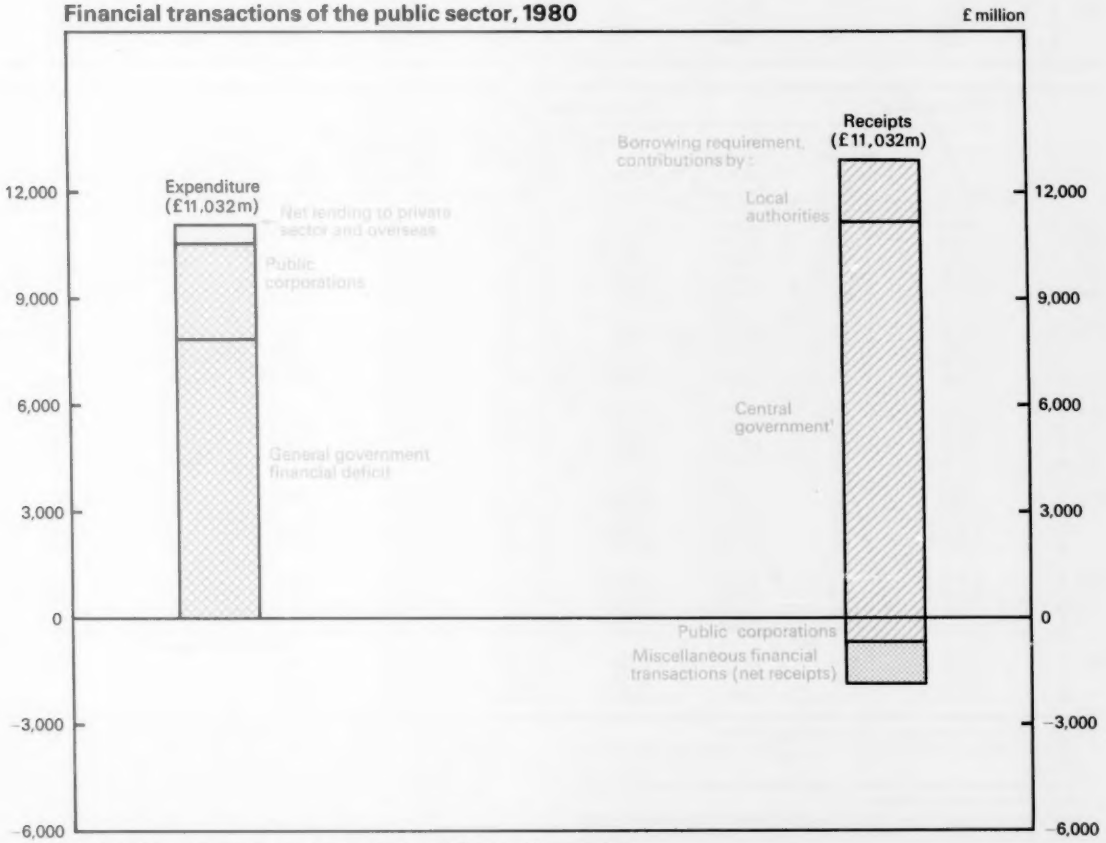
	Financial deficit[1]					Receipts					
							Borrowing requirement				
								Contributions by:			
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total[5]
1976	8,317	6,181	2,136	1,243	9,560	375	9,185	6,786	1,103	1,296	9,185
1977	5,932	4,696	1,236	123	6,055	59	5,996	4,469	183	1,344	5,996
1978	8,153	7,070	1,083	538	8,691	334	8,357	8,371	659	—673	8,357
1979	8,279	6,143	2,136	475	8,754	—3,854	12,608	10,430	1,761	417	12,608
1980	10,523	7,902	2,621	509	11,032	—1,179	12,211	11,156	1,782	—727	12,211
1981							10,473†	10,064	1,001	—592†	10,473
1978 *1*	2,160	1,973	187	— 50	2,110	1,511	599	534	709	— 644	1,565
2	1,857	1,611	246	123	1,980	— 238	2,218	2,659	— 136	— 305	1,555
3	2,623	1,992	631	300	2,923	626	2,297	2,259	154	— 116	2,502
4	1,513	1,494	19	165	1,678	—1,565	3,243	2,919	— 68	392	2,735
1979 *1*	2,281	1,821	460	181	2,462	989	1,473	247	1,001	225	2,573
2	1,781	1,356	425	237	2,018	—1,367	3,385	3,797	— 223	— 189	2,620
3	2,637	1,578	1,059	115	2,752	—1,043	3,795	2,842	632	321	3,866
4	1,580	1,388	192	— 58	1,522	—2,433	3,955	3,544	351	60	3,549
1980 *1*	1,921	1,505	416	— 98	1,823	3,044	—1,221	—1,956	1,388	— 653	502
2	3,421	2,610	811	442	3,863	— 956	4,819	4,619	541	— 341	3,596
3	3,257	2,046	1,211	194	3,451	— 324	3,775	3,246	313	216	4,144
4	1,924	1,741	183	— 29	1,895	—2,943	4,838	5,247	— 460	51	3,969
1981 *1*	2,308	2,198	110	— 127	2,181	2,424	— 243	— 156	553	— 640	1,279
2	3,884	3,191	693	674	4,558	—3,267	7,825	7,421	307	97	6,054
3	1,968	906	1,062	296	2,264	51	2,213	2,266	270	— 323	3,015†
4							678	533	—129	274	125

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net.)
[4] Including borrowing matched by on-lending to local authorities and public corporations.
[5] Calendar year constrained.

General government expenditure



Financial transactions of the public sector, 1980



[1] Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

£ million, seasonally adjusted

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1976	2,741	−175	10,883	1,934	−125	1,923	13,690	357	13,790
1977	4,223	−193	9,962	2,405	−140	2,180	14,999	251	15,191
1978	2,546	−599	10,100	2,540	− 67	3,092	16,815	370	16,036
1979	3,460	−320	11,419	3,118	−175	3,742	19,400	320	22,994
1980	3,030	−483	13,070	3,701	−202	4,948	14,572	383	17,203
1977 *1*	1,119	− 74	2,565	675	− 9	455	3,785	49	4,213
2	1,423	− 62	2,413	598	− 43	447	3,749	90	3,989
3	1,063	− 39	2,492	623	− 44	662	3,833	51	3,320
4	618	− 18	2,492	509	− 44	616	3,632	61	3,669
1978 *1*	712	−243	2,428	433	78	758	3,923	105	3,799
2	1,052	−111	2,547	592	− 48	788	4,437	80	4,070
3	277	−123	2,531	719	− 49	785	4,317	90	3,932
4	505	−122	2,594	796	− 48	761	4,138	95	4,235
1979 *1*	712	− 76	2,704	870	− 11	794	3,975	53	5,656
2	1,342	−106	2,673	751	− 53	1,064	5,153	106	5,066
3	900	− 78	3,082	870	− 56	899	5,301	97	6,126
4	506	− 60	2,960	627	− 55	985	4,971	64	6,146
1980 *1*	1,276	−104	3,126	878	− 16	1,089	4,924	32	5,750
2	564	−109	3,188	1,153	− 60	1,180	3,934	79	4,971
3	165	−193	3,355	963	− 64	1,251	2,865	127	3,721
4	1,025	− 77	3,401	707	− 62	1,428	2,849	145	2,761
1981 *1*	863	−129	3,023	731	− 26	1,305	3,881†	34	3,050
2	689	−130	3,091	770	−126	1,546	4,078	144	3,511
3	388	− 58	2,845	736	−124	1,454	4,357	184	4,429

	Personal sector			Financial Surplus/Deficit[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1976	9,880	− 57	4,235	−8,317	−114	257	5,588	881	1,705
1977	10,359	82	5,220	−5,932	85	59	5,221	41	526
1978	14,814	296	5,887	−8,153	−619	1,149	9,223	− 939	−661
1979	20,135	175	7,284	−8,279	−799	−3,274	13,026	863	−1,537
1980	25,522	302	7,420	−10,523	−1,449	−2,248	18,404	−3,122	−1,062
1977 *1*	2,538	34	1,287	−1,520	211	− 379	1,285	326	77
2	2,000	15	1,297	−1,052	108	− 150	718	396	− 20
3	2,576	32	1,285	−1,468	− 83	564	1,323	−333	− 3
4	3,245	1	1,351	−1,892	−151	24	1,895	−348	472
1978 *1*	2,552	60	1,357	−1,959	−247	229	1,255	166	556
2	3,423	79	1,467	−1,606	−244	447	2,035	−470	−162
3	4,063	82	1,544	−2,377	−115	475	2,601	−124	−460
4	4,776	75	1,519	−2,211	− 13	− 2	3,332	−511	−595
1979 *1*	4,865	34	1,493	−2,068	65	−1,628	3,406	567	−342
2	3,854	53	1,717	−1,437	−366	193	2,190	2	−582
3	5,076	37	1,910	−2,260	− 85	− 728	3,203	22	−152
4	6,340	51	2,164	−2,514	−413	−1,111	4,227	272	−461
1980 *1*	5,384	88	2,131	−1,954	−227	− 794	3,341	− 63	−303
2	6,288	90	1,775	−2,733	− 87	− 958	4,603	− 21	−804
3	6,927	130	1,894	−3,383	−352	− 729	5,163	−924	225
4	6,923	− 6	1,620	−2,453	−783	233	5,297	−2,114	−180
1981 *1*	6,490	121	1,767	−2,289	−600	865	4,844	−3,126	306
2	5,911	112	1,587	−2,532	−902	711	4,436	..	..
3	6,301	− 2	2,400	−2,515	−842	112	3,899	..	..

[1] Excluding financial transactions in writing-off debt.
[2] Before providing for depreciation stock appreciation and addition to reserves.
[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
[4] This balance is equal to savings *plus* capital transfer *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers. Because of the civil service dispute, data are not available for trade in goods in March. The financial surplus/deficit of the overseas sector in 1st quarter 1981 has been estimated by including figures for exports and imports of goods in the period December 1980/February 1981 as the goods component of net exports of goods and services in the 1st quarter of 1981. Figures for the 2nd and 3rd quarter of 1981 cannot be calculated due to the non-availability of trade statistics data.
[6] The residual error in the national income accounts.

Sector financial surplus/deficit
£ million, seasonally adjusted
6,000
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1976
1977
1978
1979
1980
1981

Appropriation account of industrial and commercial companies

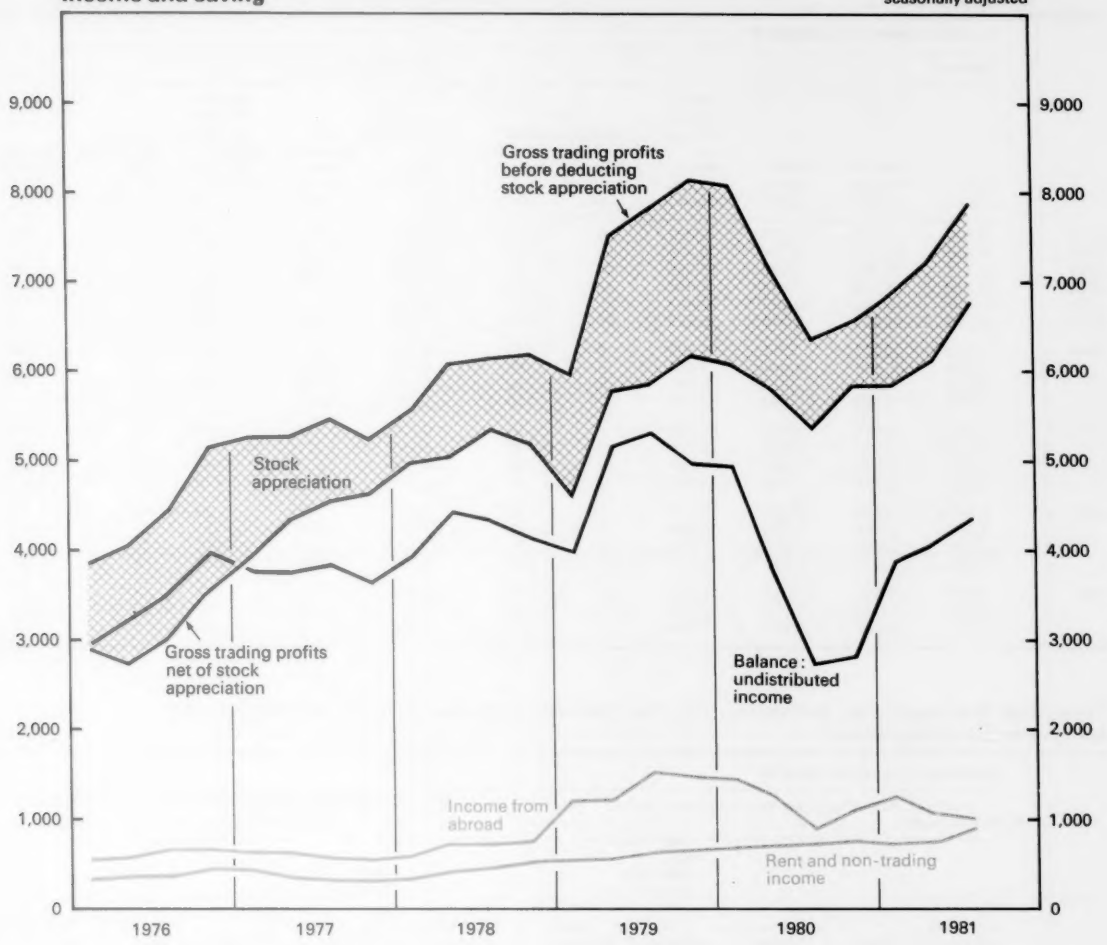
£ million, seasonally adjusted

		Income							Allocation of income						
		Income arising in the United Kingdom							Dividends, interest and current transfer payments						
		Gross trading profits													
		Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	*of which:* Unremitted profits of subsidiaries[2]	Payments of dividends on ordinary shares[3]	Other[3]	Profits due abroad (net of UK tax)	*of which:* Unremitted profits of subsidiaries[2]	UK taxes on income (payments)[4]	Balance: undistributed income[5]	Undistributed income adjusted for unremitted profits[5,6]
1972		10,399	7,692	1,075	8,767	606	1,026	395	1,524	1,529	549	321	1,036	5,761	5,687
1973		14,054	8,850	2,290	11,140	1,005	1,909	761	1,638	2,394	646	368	1,303	8,073	7,680
1974		16,415	8,300	4,714	13,014	1,290	2,111	791	1,469	3,376	506	260	2,075	8,989	8,458
1975		16,604	9,452	4,283	13,735	1,252	1,617	852	1,508	3,352	422	229	1,642	9,680	9,057
1976		21,413	12,248	5,266	17,514	1,510	2,389	1,341	1,725	3,879	724	214	1,395	13,690	12,563
1977		25,018	17,424	3,833	21,257	1,385	2,376	1,095	2,119	3,895	1,729	1,160	2,276	14,999	15,064
1978		28,450	20,588	3,374	23,962	1,713	2,775	1,022	2,551	4,159	1,980	984	2,945	16,815	16,777
1979		37,354	22,459	6,997	29,456	2,439	5,459	1,360	4,104	6,163	3,808	2,366	3,879	19,400	20,406
1980		36,218	23,680	5,049	28,729	2,909	4,580	1,096	3,918	8,141	4,050	2,415	5,537	14,572	15,891
1976	*1*	4,718	2,900	953	3,853	324	541	329	424	859	192	95	290	2,953	2,719
	2	5,000	2,764	1,303	4,067	356	577	321	420	888	130	−2	343	3,219	2,896
	3	5,475	3,018	1,444	4,462	380	633	336	431	972	189	−8	362	3,521	3,177
	4	6,220	3,566	1,566	5,132	450	638	355	450	1,160	213	129	400	3,997	3,771
1977	*1*	6,308	3,908	1,362	5,270	411	627	262	497	1,141	362	238	523	3,785	3,761
	2	6,232	4,351	919	5,270	339	623	280	511	964	453	318	555	3,749	3,787
	3	6,379	4,531	946	5,477	330	572	260	548	936	474	320	588	3,833	3,893
	4	6,099	4,634	606	5,240	305	554	293	563	854	440	284	610	3,632	3,623
1978	*1*	6,474	4,979	561	5,540	334	600	233	606	832	453	273	660	3,923	3,963
	2	7,193	5,075	1,003	6,078	413	702	267	638	985	433	269	700	4,437	4,439
	3	7,316	5,336	817	6,153	456	707	280	609	1,117	510	252	763	4,317	4,289
	4	7,467	5,198	993	6,191	510	766	242	698	1,225	584	190	822	4,138	4,086
1979	*1*	7,734	4,622	1,343	5,965	555	1,214	303	759	1,417	725	277	858	3,975	3,949
	2	9,331	5,784	1,734	7,518	571	1,242	321	807	1,415	965	733	991	5,153	5,565
	3	9,984	5,869	1,957	7,826	641	1,517	372	1,065	1,587	1,034	800	997	5,301	5,729
	4	10,305	6,184	1,963	8,147	672	1,486	364	1,473	1,744	1,084	556	1,033	4,971	5,163
1980	*1*	10,246	6,190	2,031	8,221	697	1,328	400	823	1,969	1,140	935	1,390	4,924	5,459
	2	9,338	6,010	1,336	7,346	705	1,287	279	1,121	2,071	1,163	579	1,049	3,934	4,234
	3	8,154	5,562	961	6,523	729	902	220	980	2,077	829	596	1,403	2,865	3,241
	4	8,480	5,918	721	6,639	778	1,063	197	994	2,024	918	305	1,695	2,849	2,957
1981	*1*	8,878	5,840	1,021	6,861	745	1,272	473	747	1,887	808	524	1,555	3,881	3,932
	2	9,098	6,111	1,134	7,245	766	1,087	371	961	1,763	685	261	1,611	4,078	3,968
	3	9,803	6,773	1,107	7,880	909	1,014	271	942	1,748	945	560	1,811	4,357	4,646

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.
[4] The residual of all companies' payments and financial companies and institutions' accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Before providing for depreciation, stock appreciation and additions to reserves.
[6] Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

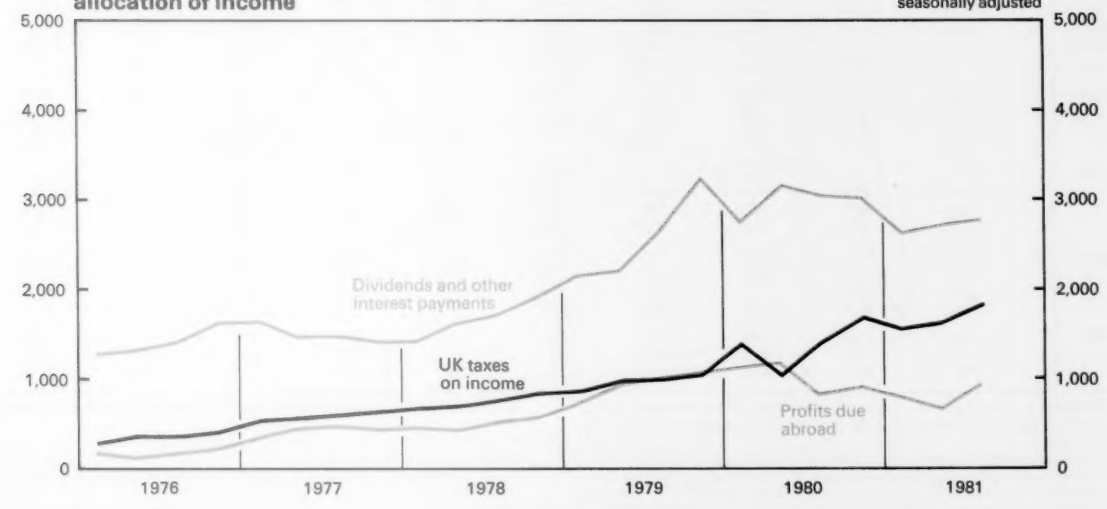
Industrial and commercial companies income and saving

£ million, seasonally adjusted



Industrial and commercial companies allocation of income

£ million, seasonally adjusted



Capital account and financial surplus/deficit of industrial and commercial companies

£ million, seasonally adjusted

		Receipts						Expenditure				
						Capital transfers						
		Total receipts	Undistributed income	Stock appreciation	Undistributed income *less* stock appreciation	Investment grants	Other	Total expenditure	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Balance: Financial surplus/deficit
1975		5,839	9,680	4,283	5,397	96	346	5,268	6,910	−1,680	38	571
1976		8,824	13,690	5,266	8,424	60	340	8,567	8,107	417	43	257
1977		11,477	14,999	3,833	11,166	36	275	11,418	9,690	1,668	60	59
1978		13,879	16,815	3,374	13,441	33	405	12,730	11,872	790	68	1,149
1979		12,809	19,400	6,997	12,403	21	385	16,083	13,713	2,284	86	−3,274
1980		10,019	14,572	5,049	9,523	37	459	12,267	15,640	−3,486	113	−2,248
1978	*1*	3,508	3,923	561	3,362	9	137	3,279	2,897	341	41	229
	2	3,523	4,437	1,003	3,434	9	80	3,076	3,019	48	9	447
	3	3,596	4,317	817	3,500	8	88	3,121	2,946	169	6	475
	4	3,252	4,138	993	3,145	7	100	3,254	3,010	232	12	— 2
1979	*1*	2,733	3,975	1,343	2,632	7	94	4,361	3,191	1,122	48	−1,628
	2	3,535	5,153	1,734	3,419	7	109	3,342	3,271	61	10	193
	3	3,451	5,301	1,957	3,344	3	104	4,179	3,507	662	10	— 728
	4	3,090	4,971	1,963	3,008	4	78	4,201	3,744	439	18	−1,111
1980	*1*	2,985	4,924	2,031	2,893	6	86	3,779	3,772	— 53	60	— 94
	2	2,694	3,934	1,336	2,598	10	86	3,652	3,893	— 258	17	— 958
	3	2,051	2,865	961	1,904	12	135	2,780	3,930	−1,170	20	— 729
	4	2,289	2,849	721	2,128	9	152	2,056	4,045	−2,005	16	233
1981	*1*	2,952	3,881	1,021	2,860	9	83	2,087	3,720	−1,691	58	865
	2	3,108	4,078	1,134	2,944	11	153	2,397	3,867	−1,490	20	711
	3	3,453	4,357	1,107	3,250	12	191	3,341	3,726	— 404	19	112

Financial transactions including net borrowing requirement of industrial and commercial companies[1]

£ million, seasonally adjusted

		Financing of net borrowing requirement[2]			Transactions leading to net borrowing requirement						
			Borrowing from								
		Net borrowing requirement	Banks	Other[3]	Acquisition of liquid and certain other financial assets	Financial surplus/deficit	Net unremitted profits[4]	Net identified trade and other credit received[5]	Investment in UK securities[6]	Investment abroad	Unidentified transactions
1975		1,052	479	2,729	−2,156	571	— 623	270	— 367	— 281	— 622
1976		2,556	2,398	2,496	−2,338	257	−1,127	— 405	— 857	— 665	241
1977		1,183	2,966	1,972	−3,755	59	65	— 47	— 687	— 812	239
1978		1,879	2,890	1,845	−2,856	1,149	— 38	50	— 765	−1,998	— 277
1979		6,283	4,903	1,956	— 572†	−3,274	1,006	2,004†	−1,054	−3,311	−1,658
1980		5,478	6,642	3,287	−4,448	−2,248	1,319	— 582	— 903	−2,046	−1,021
1978	*1*	469	264	1,052	— 847	229	40	— 16	— 179	— 264†	— 279†
	2	484	1,048	82	— 646	447	2	— 231	— 155	— 154	— 393
	3	563	671	300	— 408	475	— 28	— 4	— 225	— 541	— 240
	4	363	907	411	— 955	— 2	— 52	301	— 206	−1,039	635
1979	*1*	2,110	1,781	324	5	−1,628	— 26	164	— 205	— 846	431
	2	1,039	1,210	895	−1,066	193	412	326	— 235	— 579	−1,156
	3	697	869	188	— 360	— 728	428	1,028	— 261	−1,105	— 59
	4	2,437	1,043	549	845	−1,111	192	490	— 353	— 781	— 874
1980	*1*	3,148	1,917	1,170	61	— 794	535	−1,556	— 169	— 741	— 423
	2	1,546	2,213	363	−1,030	— 958	300	315	— 174	— 847	— 152
	3	293	2,105	1	−1,813	— 729	376	100	— 423	— 75	458
	4	491	407	1,753	−1,669	233	108	562	— 137	— 383	— 874
1981	*1*	300	−1,408	2,608	— 900	865	51	— 908	— 217	— 746	655
	2	−1,733†	1,525	— 949†	−2,309	711	— 110	2,519†	— 135	— 808	— 444
	3	821	1,813	1,273	−2,265†	112	289	376	— 174	— 768	— 656

[1] Inflows(+), outflows(−). The seasonal factors for the financial transactions are those used by the Bank of England in their flow of funds accounts.

[2] The seasonal factors applied to the series for borrowing and acquisition of financial assets do not always sum to zero over a calendar year because day-of-week adjustments have been applied. The sum of quarterly figures may therefore differ from the annual total shown.

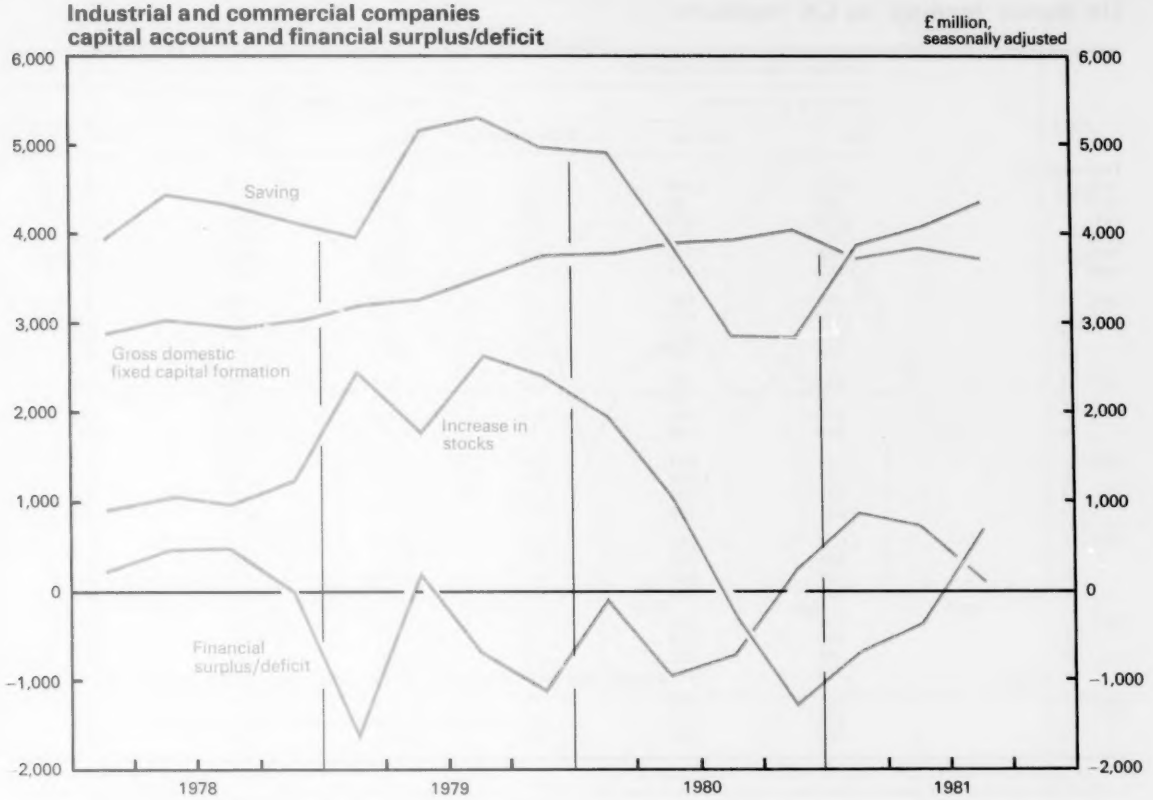
[3] Including Bank of England Issue Department transactions in commercial bills.

[4] Retained abroad or in the United Kingdom.

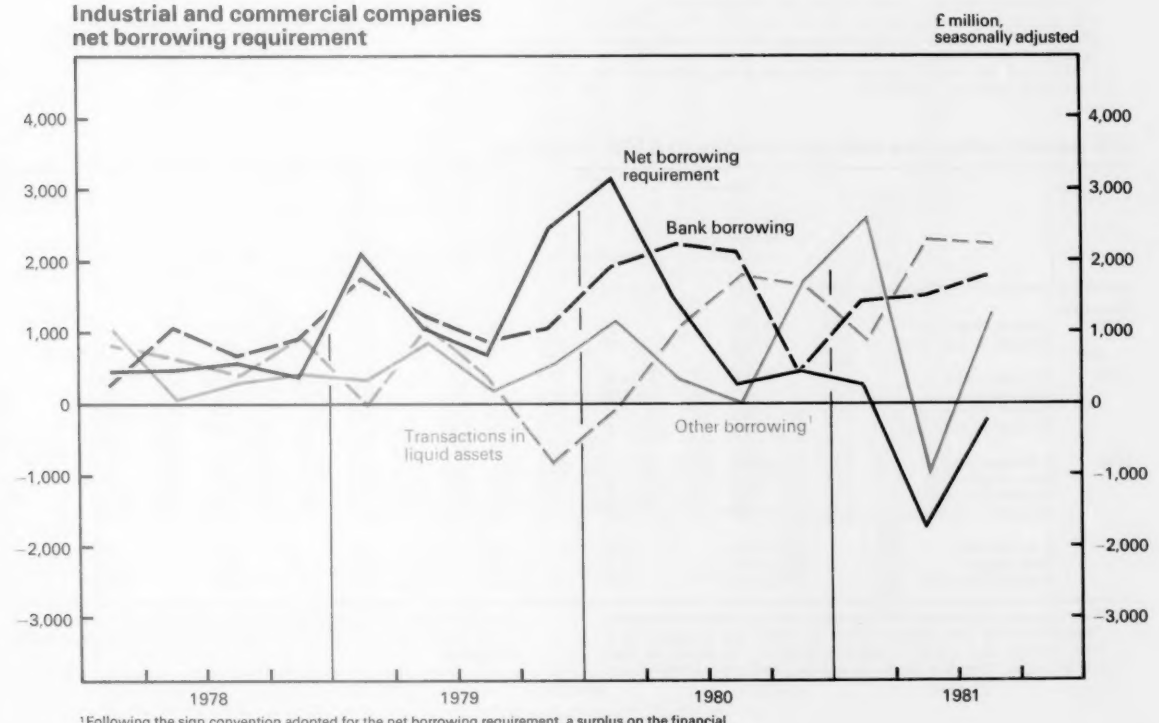
[5] Including accruals adjustment.

[6] Cash expenditure on acquiring subsidiaries and on trade investment in the UK.

Industrial and commercial companies capital account and financial surplus/deficit



Industrial and commercial companies net borrowing requirement



[1] Following the sign convention adopted for the net borrowing requirement, a surplus on the financial surplus/deficit is shown with a negative sign — a reverse of the sign convention used in the table.

UK Banks' lending[1] to UK residents

	£ million, seasonally adjusted[2]					
	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1975	3,373	3,090	283	130	− 367	497
1976	345	− 89	434	3,330	3,081	249
1977	2,378	1,696	682	4,707	3,492	1,215
1978	− 291	123	− 414	5,791	4,710	1,081
1979	955	1,540	− 585	9,481	8,573	908
1980	1,652	2,374	− 722	10,884	9,622	1,262
1976 *1*	417	400	17	229	248	− 19
2	− 466	− 520	54	533	679	− 146
3	815	657	158	1,016	852	164
4	− 184	− 389	205	1,551	1,301	250
1977 *1*	644	141	503	924	356	568
2	− 75	− 75	—	946	889	57
3	996	747	249	1,232	1,127	105
4	828	898	− 70	1,606	1,121	485
1978 *1*	24	253	− 229	782	595	187
2	−1,739	−1,499	− 240	1,844	1,502	342
3	426	486	− 60	1,460	1,076	384
4	1,011	896	115	1,705	1,537	168
1979 *1*	−1,023	− 871	− 152	2,579	2,327	252
2	265	416	− 151	2,582	2,249	333
3	702	853	− 151	2,099	1,979	120
4	753	884	− 131	2,221	2,018	203
1980 *1*	− 414	− 232	− 182	2,717	2,391	326
2	546	524	22	3,500	2,667	833
3	− 82	322	− 404	3,468	3,225	243
4	1,719	1,877	− 158	1,199	1,339	− 140
1981 *1*	560	484	76	179	− 318	497
2	− 879	− 118	− 761	3,169	3,511	− 342
3	496	700	− 204	3,958	2,751	1,207

[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis.

[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

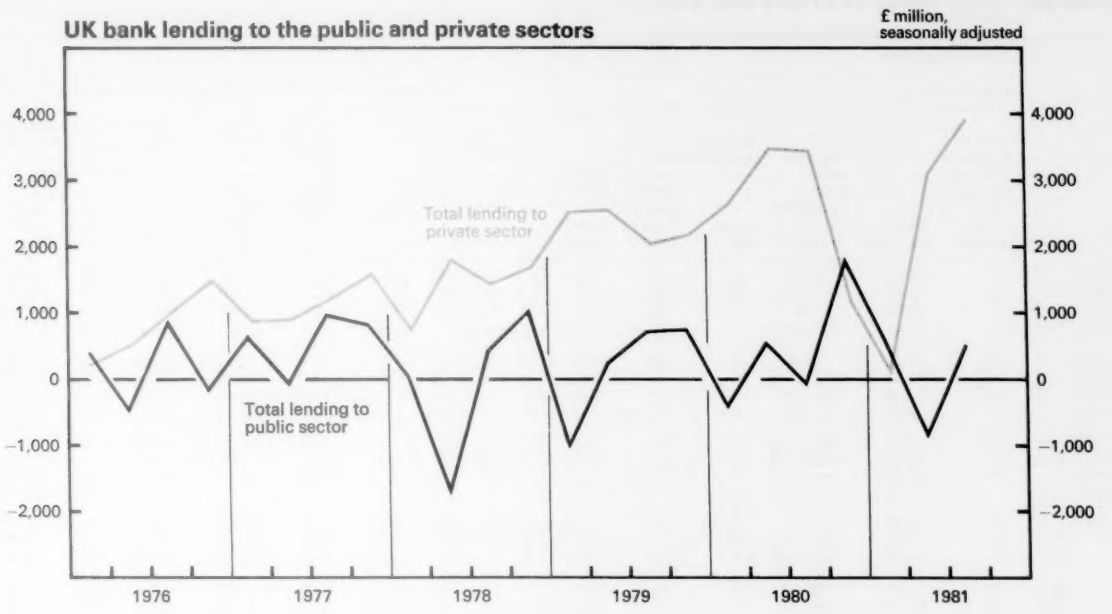
[3] For the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.

UK banks' advances and acceptances to UK residents[1]

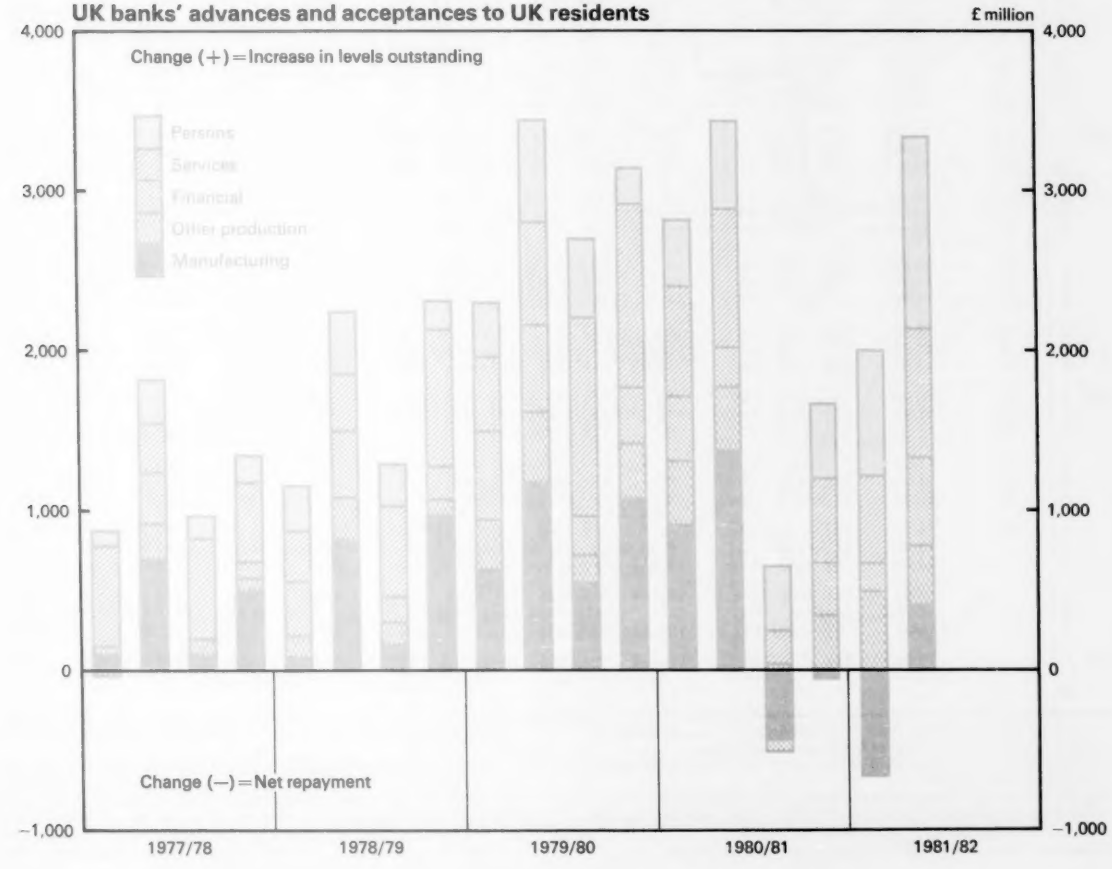
	£ million					
	Total advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (November 1981):	77,446	18,897	8,523	12,656	24,499	12,871
Changes						
1978 August–November	1,299	166	145	155	569	264
November–February	2,304	968	102	199	856	180
1979 February–May	2,305	633	332	531	472	338
May–August	3,451	1,184	432	551	628	656
August–November	2,681	541	181	248	1,228	483
November–February	3,151	1,075	348	333	1,173	221
1980 February–May	2,818	912	411	382	699	415
May–August	3,449	1,374	411	245	867	551
August–November	153	−429	44	− 74	223	389
November–February	1,628	352	−35	321	535	455
1981 February–May	1,399	−658	494	175	546	842
May–August	3,344	417	363	566	790	1,209
August–November	5,081	528	291	936	2,046	1,279

[1] For a more detailed breakdown of these figures see *Financial Statistics* Tables 6.8–6.10. The analysis covers advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets, such as the local authority money market or the finance company deposit market. Acceptances are not granted to persons.

UK bank lending to the public and private sectors



UK banks' advances and acceptances to UK residents



Interest rates, security prices and yields

Percentage rate

		Last Friday							Last working day		Average of working days			
		Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities: long dated[6] (20 years)	*Financial Times* index of industrial ordinary shares (1 July 1935 = 100): Price index	Dividend yield	Earnings yield[7]
1970		7	6·93	7¼	7	5	7⅛ – 7¼	7⅜ – 7⅛	6⅝	5·00	9·25	361·0	4·75	6·54
1971		5	4·46	4½ – 4⅝	4½	2½	4⅜ – 4⅜	4⅜ – 4½	5⅛	5·00	8·90	386·2	4·76	6·21
1972		9	8·48	8¾	7½	5¾	8⅛ – 9 1/16	8⅛ – 9 1/16	5 11/32	5·25	8·97	503·8	3·26	4·98
1973		13	12·82	16 –16½	13	9½	16 1/16–16 5/16	15¾ –16	10 3/16	7·50	10·78	435·6	4·12	..
1974		11½	11·30	13¼	12	9½	12½ –12 13/16	12⅞ –12¾	10 1/16	7·50	14·77	251·2	8·23	21·47
1975		11¼	10·93	11¼ –11⅜	11	7	11 1/16–11 3/16	11 –11⅛	5⅞	7·00	14·39	311·0	6·81	19·49
1976		14½	13·98	14¾ –15	14	11	14⅛ –14⅜	14 1/16–14⅛	5 1/16	7·80	14·43	268·0	5·96	17·61
1977		7	6·39	6¾	6¾–7½	3½–4½	6 9/16– 6¾	6⅜ – 6 7/16	7 3/16	6·00	12·73	452·3	5·42	16·50
1978		12½	11·91	12⅜ –12½	12½	10	12 7/16–12⅜	12⅜ –12½	11 1/16	8·00	12·47	479·4	5·65	16·47
1979		17	16·49	16 1/16–17⅛	17	15	16 1/16–17 1/16	16 1/16–16⅞	14½	10·50	12·99	475·5	6·49	16·61
1980		14	13·45	14⅞ –14⅞	14	11½–2	14¾ –14⅞	14¾ –14⅞	17¾	10·50	13·79	464·5	7·62	18·14
1981			15·39									518·5	5·74	12·10
1979	*J*	12½	12·46	13	12½	10	13 –13⅛	12 9/16–12 11/16	10 7/16	8·00	13·68	474·1	6·10	16·01
	F	14	12·61	13¼ –13⅜	13½	11	12 7/8 –13 3/16	12 11/16–13	10⅝	8·00	13·94	460·2	6·18	16·16
	M	13	11·78	12⅜ –12½	13	10½	12 1/16–12 5/16	12 –12⅛	10 31/32	8·00	12·35	511·5	5·53	14·54
	A	12	11·61	11 13/16–12	12	9½	11 13/16 –11 15/16	11 9/16–11 11/16	10⅞	8·00	11·68	537·4	5·37	14·31
	M	12	11·79	11 13/16–12	12	9½	11 13/16–11 15/16	11¾ –11 7/8	10 9/16	8·00	11·94	528·5	5·56	14·90
	J	14	13·79	14 –14¼	14	11½	13 15/16–14⅛	13 13/16–13 15/16	10 9/32	8·00	12·69	489·5	5·93	15·82
	J	14	13·81	14 1/16–14⅛	14	11½	14 –14⅛	13 13/16–14 1/16	11 11/32	8·00	12·25	468·3	6·62	16·92
	A	14	13·80	14½	14	11½	14 1/16–14 3/16	14 1/16–14½	12 5/16	8·75	12·30	467·2	6·95	17·46
	S	14	13·82	14¼	14	11½	14⅛ –14 3/16	13 15/16–14⅛	12⅛	8·75	12·60	468·4	6·95	17·75
	O	14	13·94	14½ –14¾	14	11½	14 9/16–14 13/16	14½ –14⅝	15 13/32	8·75	13·16	465·4	7·13	17·55
	N	17	16·77	16⅞	17	15	16½ –16 1/16	16⅜ –16½	14 5/16	8·75	14·54	415·9	7·88	19·07
	D	17	16·49	16 1/16–17½	17	15	16 1/16–17 1/16	16 1/16–16⅞	14½	10·50	14·72	419·8	7·70	18·78
1980	*J*	17	16·39	17½ –17⅝	17	15	17½ –17½	17⅛ –17 1/16	14 13/32	10·50	14·17	440·7	7·43	18·42
	F	17	16·80	18⅛ –18⅜	17	15	18 1/16–18⅛	18 –18⅛	16 31/32	10·50	14·45	460·7	7·17	17·64
	M	17	16·97	18¾ –18⅞	17	15	18⅛ –18⅜	17 15/16–18 1/16	19 13/16	10·50	14·70	440·8	7·75	19·26
	A	17	16·73	17½ –17⅝	17	15	17½ –17 7/16	17 1/16–17 5/16	13 15/16	10·50	14·27	435·5	8·04	19·73
	M	17	16·73	17⅛ –17¼	17	15	17 –17⅛	16 7/8 –17 1/16	9¾	10·50	14·01	432·4	8·21	20·05
	J	17	16·32	17	17	15	16¾ –17	16 1/16–16⅞	9¾	10·50	13·78	451·2	7·96	19·20
	J	16	14·98	15½ –15⅝	16	14	15 5/16–15 9/16	15¼ –15⅜	9 13/16	10·50	13·07	488·5	7·42	17·96
	A	16	15·53	16⅜ –16½	16	14	16⅜ –16 1/16	16 7/16–16 1/16	12½	10·50	13·58	484·9	7·48	17·68
	S	16	14·86	15⅜	16	14	15 1/16–17⅜	15⅜ –15¾	13 5/16	10·50	13·38	491·7	7·45	17·28
	O	16	14·90	16⅜ –16⅜	16	14	16¾ –17	16 9/16–16 11/16	15½	10·50	13·12	483·8	7·59	17·14
	N	14	13·38	14½ –14⅜	14	11½–12	14 7/16–14 11/16	14 5/16–14 7/16	18 5/16	10·50	13·22	493·4	7·35	16·43
	D	14	13·58	14⅝ –14⅝	14	11½–12	14⅜ –14⅜	14⅜ –14⅜	17⅜	10·50	13·67	470·1	7·56	16·93
1981	*J*	14	13·02	13 1/16–13⅞	14	11½	13⅜ –13 1/16	13½ –13⅜	17 7/16	9·25	13·96	459·6	7·78	17·44
	F	14	11·93	12⅝ –12¾	14	11½	12 7/16–12 9/16	12⅛ –12⅜	16 11/16	9·25	13·89	487·0	7·35	16·38
	M	12	11·87	12¾ –12 13/16	12	9	12⅜ –12¾	12½ –12⅝	14⅞	9·25	13·68	497·8	6·78	14·39
	A	12	11·57	12 5/16	12	9	12 3/16–12⅜	12⅛ –12 3/16	16 31/32	8·50	13·64	559·2	5·88	11·57
	M	12	11·70	12½ –12⅝	12	9	12 7/16–12 9/16	12½ –12⅝	17¾	8·50	14·31	557·8	5·91	11·59
	J	12	12·33	12 7/16–12⅝	12	9	12 7/16–12⅝	12⅜ –12½	17 1/16	8·50	14·57	545·0	5·92	11·73
	J	12	14·25	14⅜ –14¾	12	9	14⅝ –14¾	14½ –14 9/16	18¾	8·50	15·14	528·2	6·01	11·70
	A	..	13·70	14 1/16–14⅛	12	9	14 –14 3/16	13 13/16–13 15/16	18 1/16	8·50	15·09	554·4	5·51	9·83
	S	..	14·98	15⅜ –15½	14	11–11½	15 5/16–16⅜	15⅜ –15 7/16	17⅞	8·50	15·59	525·0	5·76	9·99
	O	..	16·61	16½ –16⅝	15½	13½–14	16 5/16–16⅝	16¼ –16⅜	15 31/32	8·50	15·95	474·4	6·27	10·64
	N	..	14·30	14 1/16–15	15	13	14 11/16–14 15/16	14 1/16–14 3/16	12	9·75	15·44	511·1	5·86	9·92
	D	..	15·39	15½ –15 11/16	14½	12¼–12½	15 9/16–15½	15⅝ –15¾	13¾	9·75	15·65	522·8	5·76	10·05
1982	*J*	..	13·99	14½	14	11¼–12	14 7/16–14⅝	14 3/16–14 5/16	14⅝	9·75	15·58	543·4	5·57	9·83
	F													
	M													

[1] Previously known as Bank Rate. From 20 August 1981 the Bank has suspended the announcement of Minimum Lending Rate.

[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.

[3] For a minimum term of 3 months and thereafter at 7 days' notice.

[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.

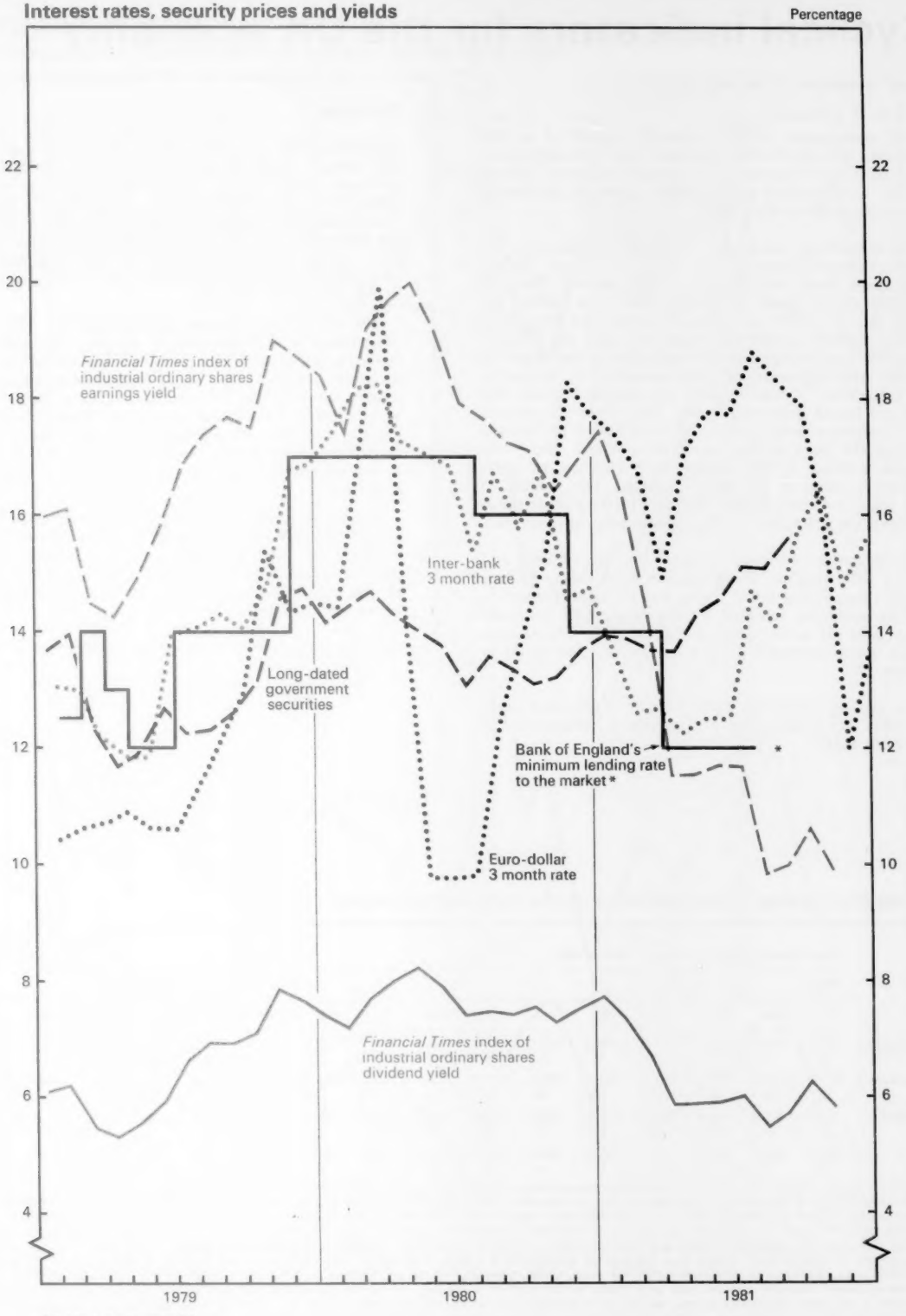
[5] Spread of rates over the day in the inter-bank sterling market.

[6] Net of income tax where this is paid by societies at the agreed composite rate.

[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.

[8] Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields – see *Financial Statistics Explanatory handbook*.

Interest rates, security prices and yields



*See footnote [1] on page 66

Cyclical indicators for the UK economy

Recent movements of the indicators

(*Data to 19 February*)

Recent movements of the composite indices of cyclical indicators provide further evidence that a turning point occurred in the economic cycle around the second quarter of 1981. Confirmation and a precise dating of the turning point must await further data.

The coincident index, now available to January, has moved upwards from a low point in April. Several components have contributed to this upturn. The CBI quarterly survey taken in January showed a further fall in the rate at which raw materials have been destocked; capacity utilisation had not improved since the October survey but was still significantly better than at the beginning of 1981. Although manufacturing output fell in November and December, it was broadly unchanged between the third and fourth quarters of 1981. Thus after the removal of its long-term downward trend, it still had an upward effect on the index in the quarter as a whole. There was also an increase in the output-based measure of gross domestic product in the fourth quarter. The volume of retail sales, however, remained below its long-term rising trend and had a downward effect on the index to December.

The longer leading index increased between October and January following its sharp decline from May. Falling interest rates, rising share prices and an improvement in business optimism reported by the latest CBI quarterly survey have all contributed to the increase. The shorter leading index continued to increase from its low point in October 1980.

The lagging index has been broadly unchanged since mid-1981; this is consistent with earlier movements in the coincident index.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

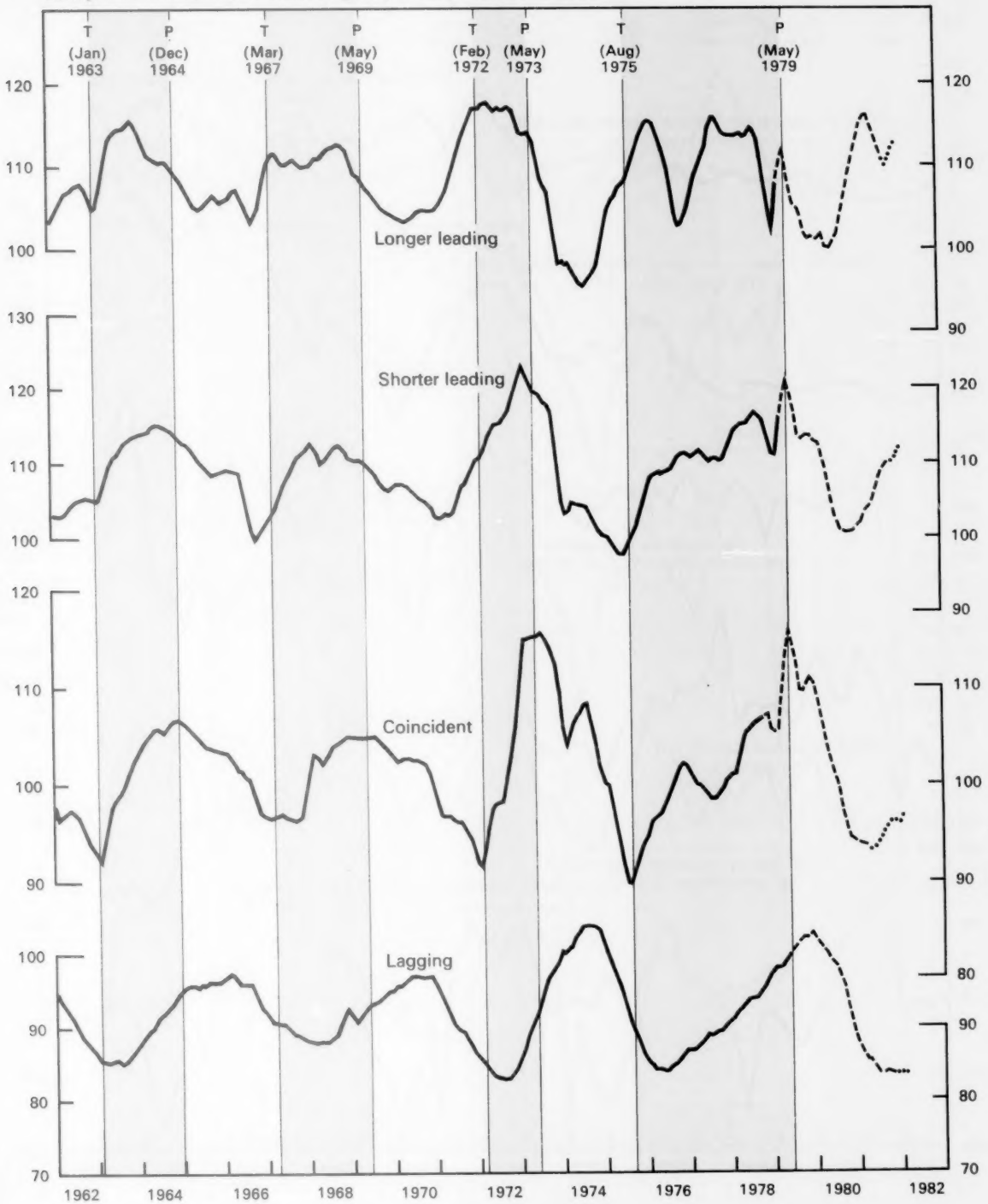
	Most recent values[2] January 1975 = 100													Lead (−) or lag (+) in months relative to reference cycle dates		
	1981												1982			
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Mean	Earliest	Latest
Longer leading	111·4	113·6	115·0	115·9	116·1	115·0	113·9	112·7	111·5	110·0	110·8	112·0	112·9	−13	−21	− 7
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*3*			
Shorter leading	101·5	102·0	103·2	103·7	104·3	105·5	107·3	108·6	109·5	110·0	110·0	110·6	111·8	− 5	−12	—
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*2*			
Coincident ..	93·7	93·6	93·6	93·0	93·2	93·8	94·6	95·1	95·7	96·1	96·1	96·0	96·8	+ 1	− 1	+ 5
	7	*7*	*7*	*6*	*6*	*6*	*6*	*6*	*6*	*5*	*5*	*5*	*2*			
Lagging ..	86·4	85·4	85·2	84·5	83·9	83·4	83·4	83·7	83·4	83·4	83·4	83·6	83·5	+10	+ 6	+17
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*2*			

[1] A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further ten pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-233 7661.

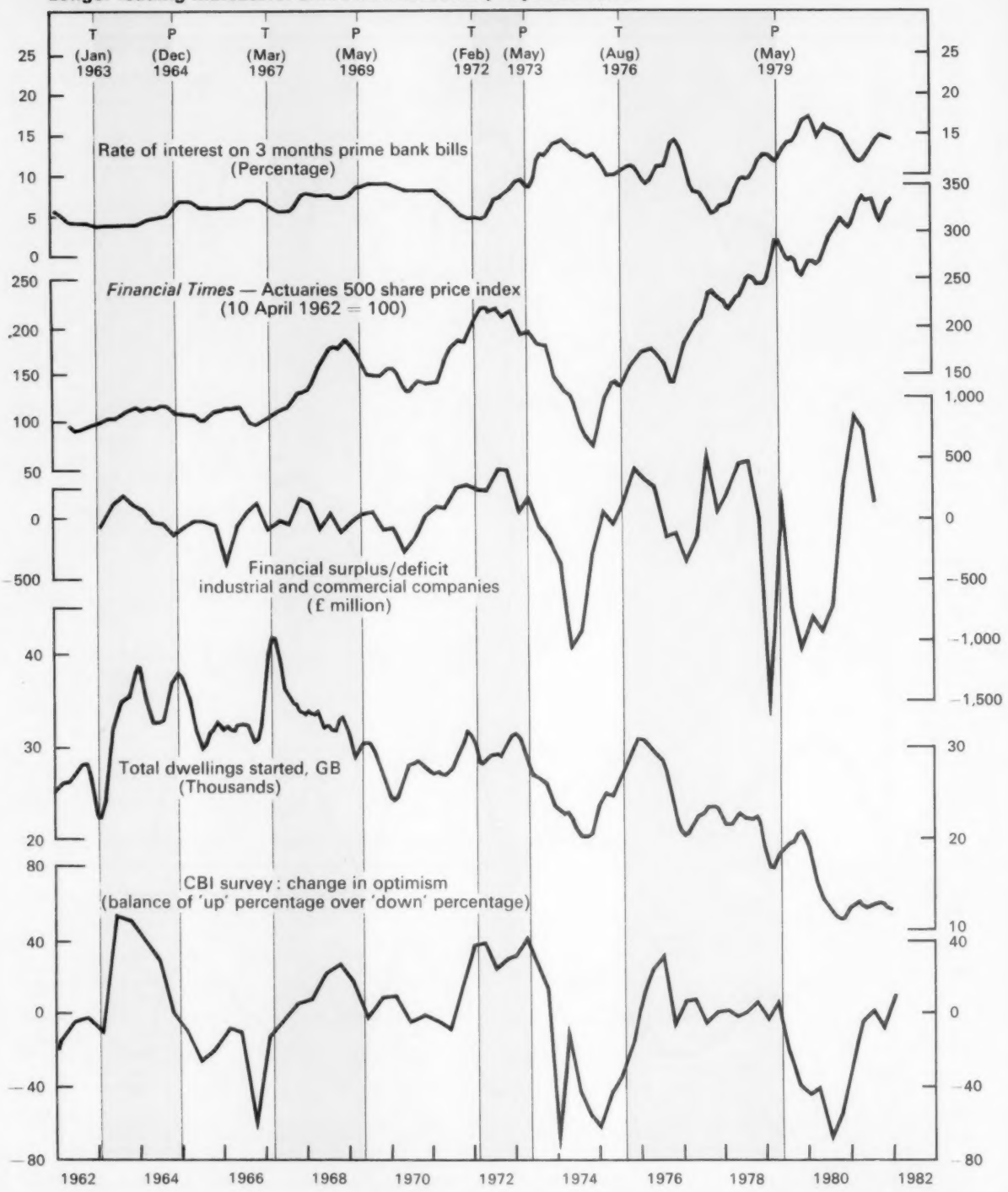
Cyclical indicators

Composite indices of indicator groups. January 1975 = 100



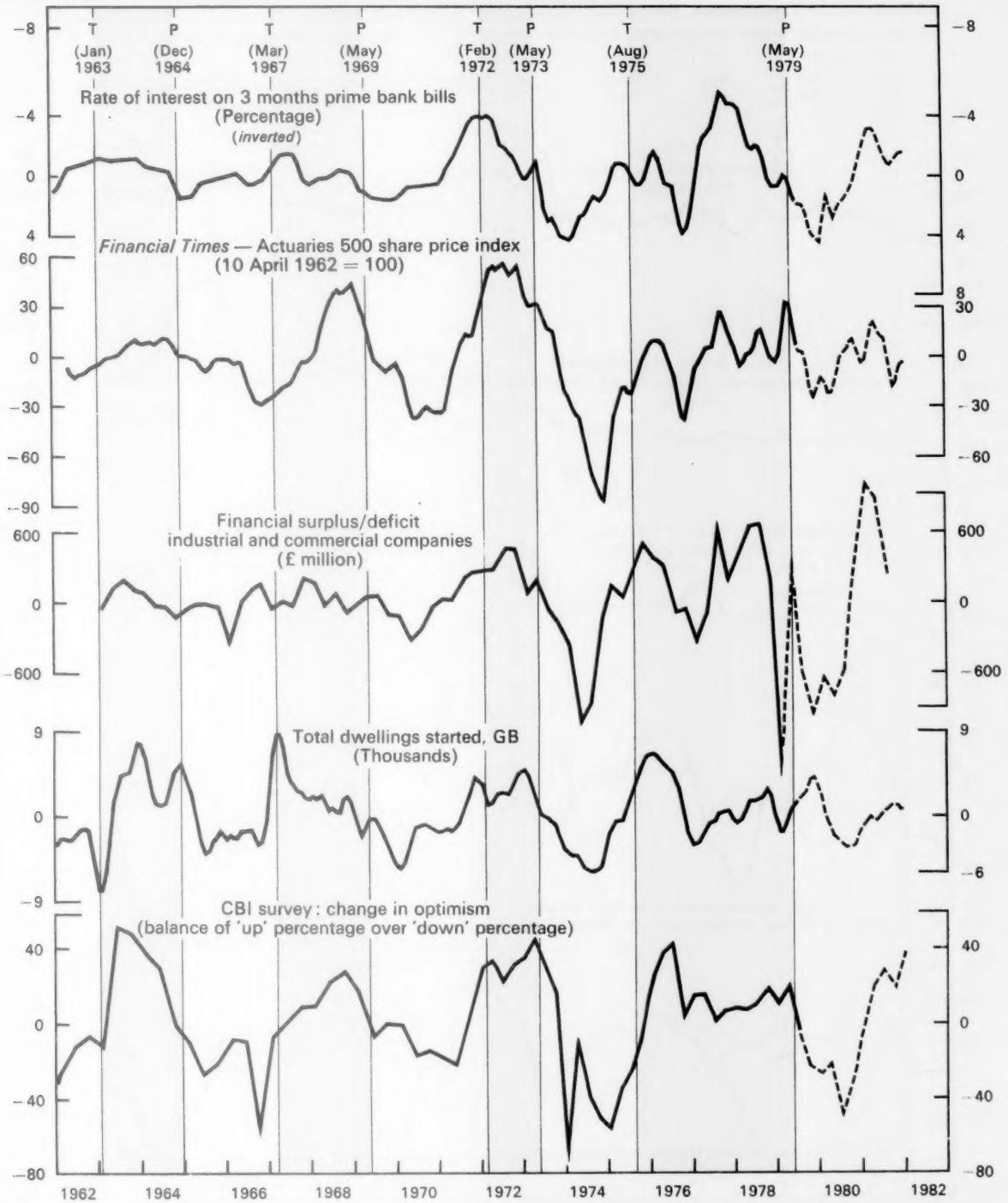
Cyclical indicators by timing classification

Longer leading indicators. Smoothed seasonally adjusted series



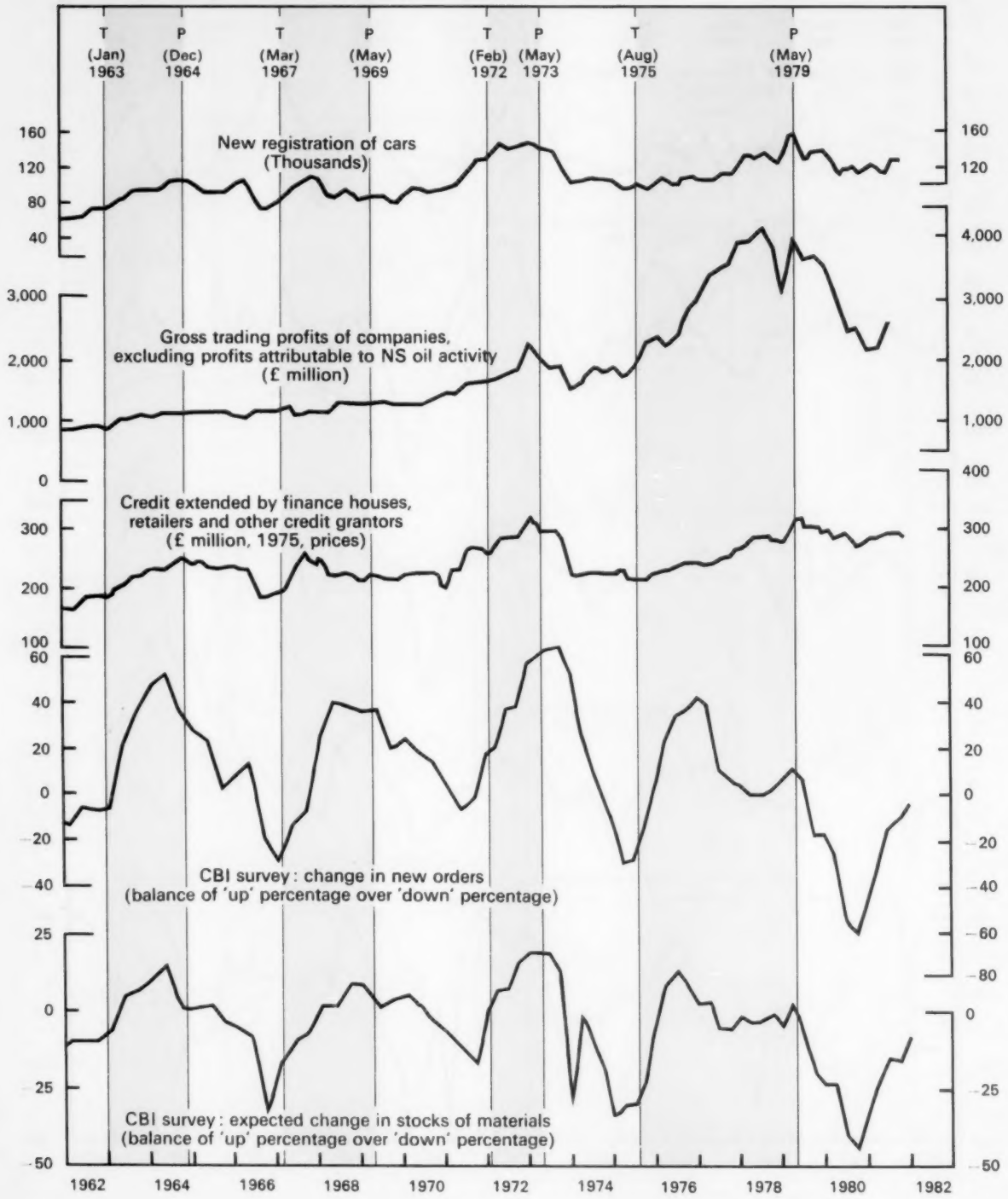
Cyclical indicators by timing classification

Longer leading indicators. Smoothed trend-eliminated series



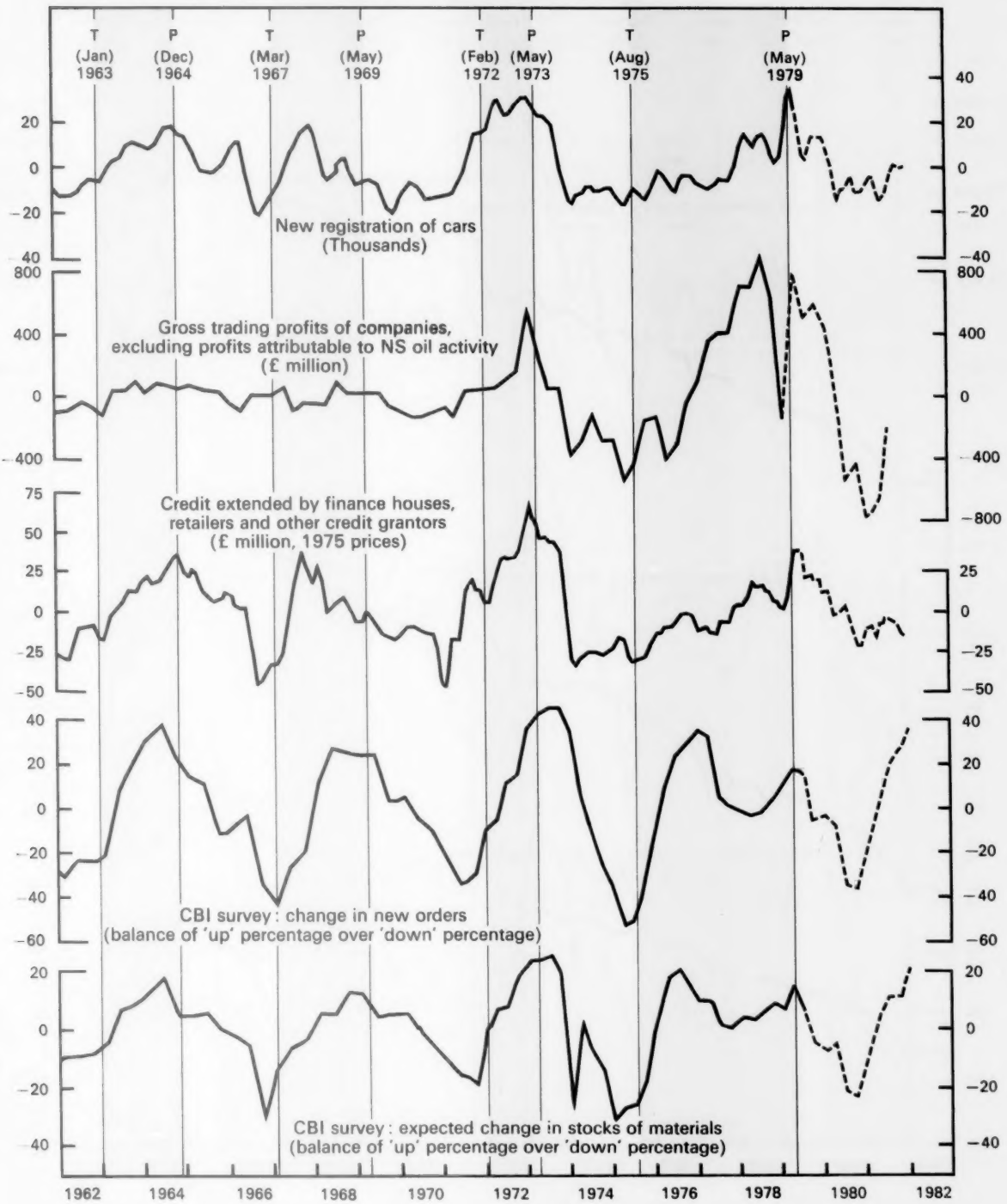
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed seasonally adjusted series


T (Jan) 1963
P (Dec) 1964
T (Mar) 1967
P (May) 1969
T (Feb) 1972
P (May) 1973
T (Aug) 1975
P (May) 1979
New registration of cars (Thousands)
Gross trading profits of companies, excluding profits attributable to NS oil activity (£ million)
Credit extended by finance houses, retailers and other credit grantors (£ million, 1975, prices)
CBI survey: change in new orders (balance of 'up' percentage over 'down' percentage)
CBI survey: expected change in stocks of materials (balance of 'up' percentage over 'down' percentage)
1962
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982

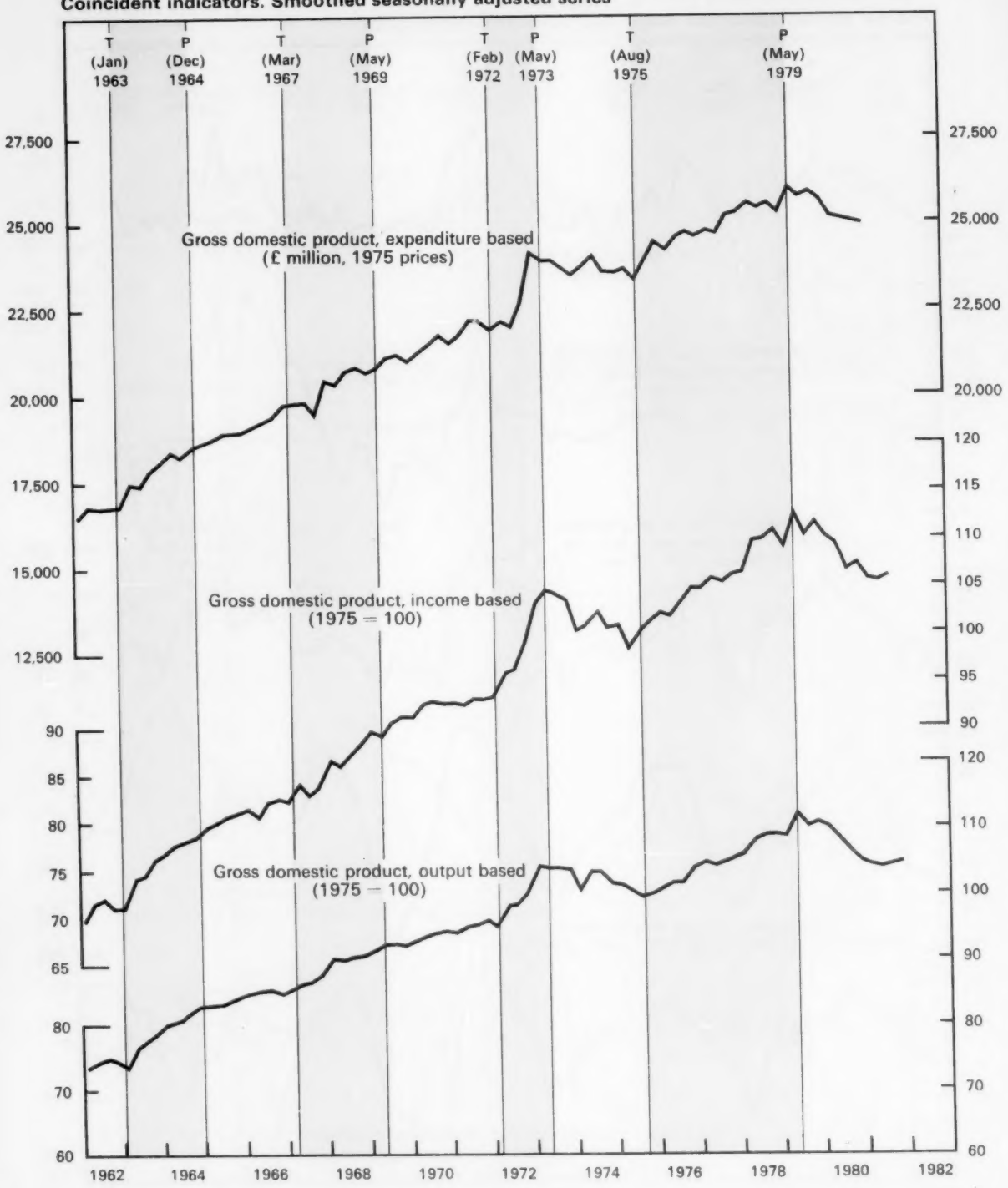
Cyclical indicators by timing classification

Shorter leading indicators. Smoothed trend-eliminated series


T (Jan) 1963
P (Dec) 1964
T (Mar) 1967
P (May) 1969
T (Feb) 1972
P (May) 1973
T (Aug) 1975
P (May) 1979
New registration of cars (Thousands)
Gross trading profits of companies, excluding profits attributable to NS oil activity (£ million)
Credit extended by finance houses, retailers and other credit grantors (£ million, 1975 prices)
CBI survey: change in new orders (balance of 'up' percentage over 'down' percentage)
CBI survey: expected change in stocks of materials (balance of 'up' percentage over 'down' percentage)
1962
1964
1966
1968
1970
1972
1974
1976
1978
1980
1982

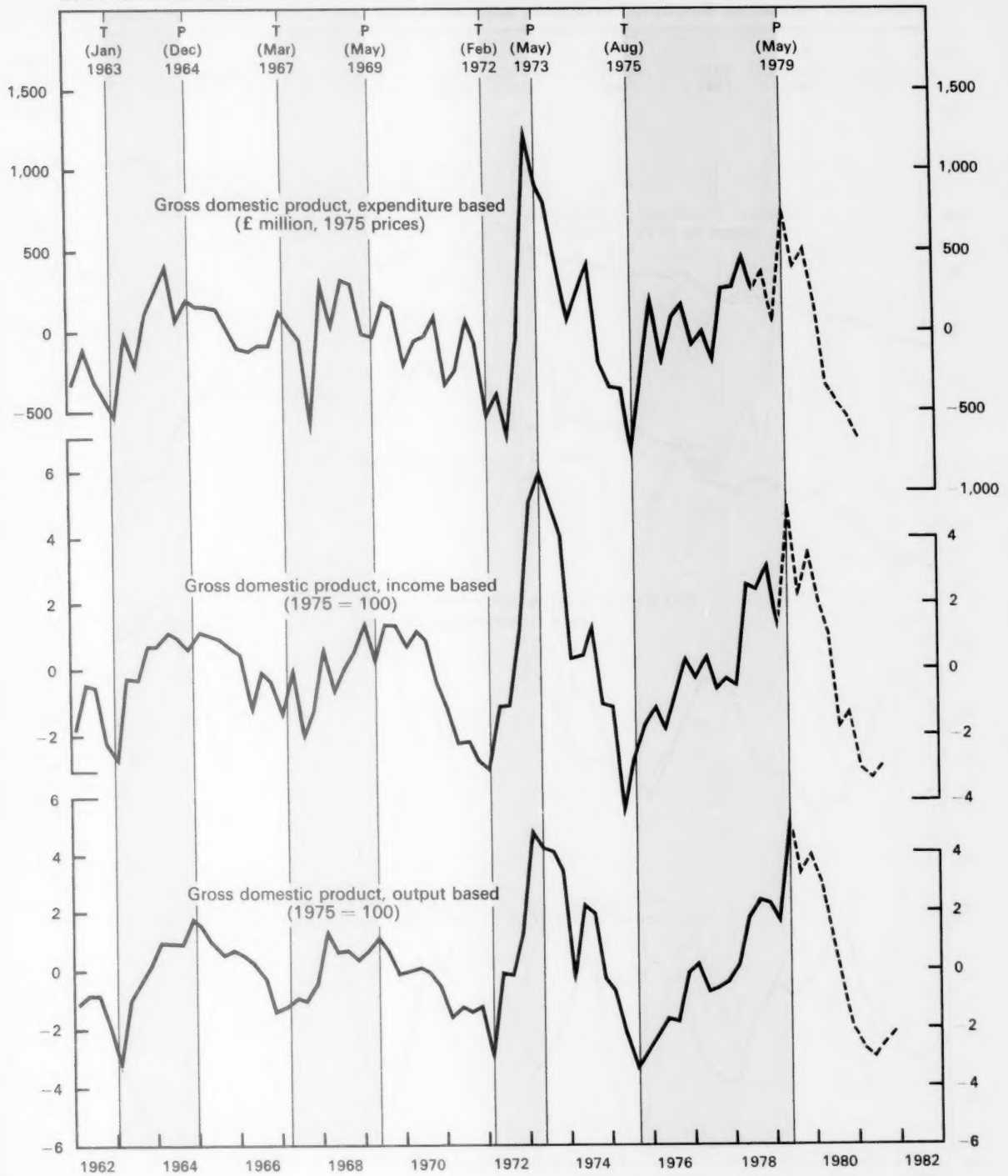
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



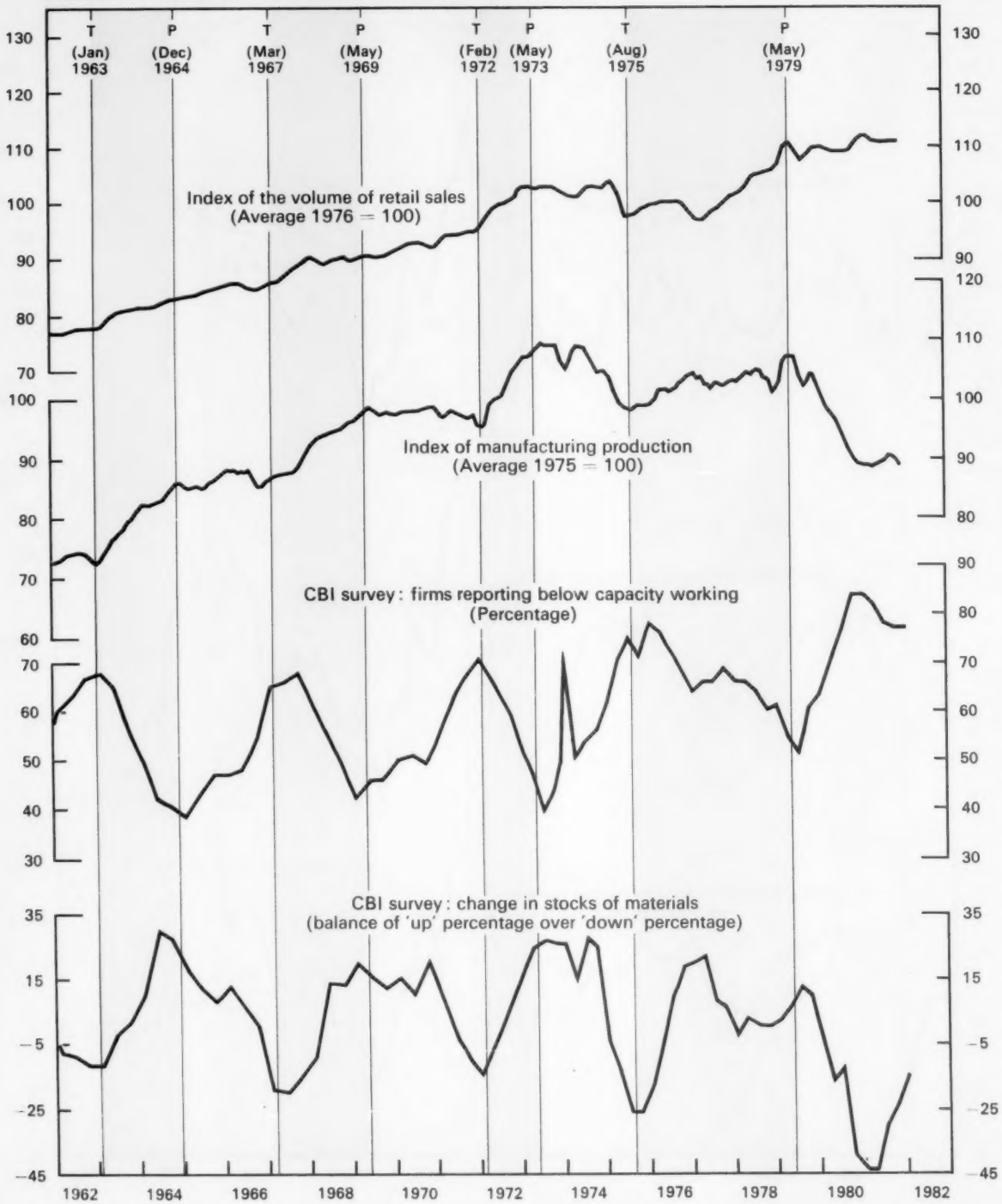
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



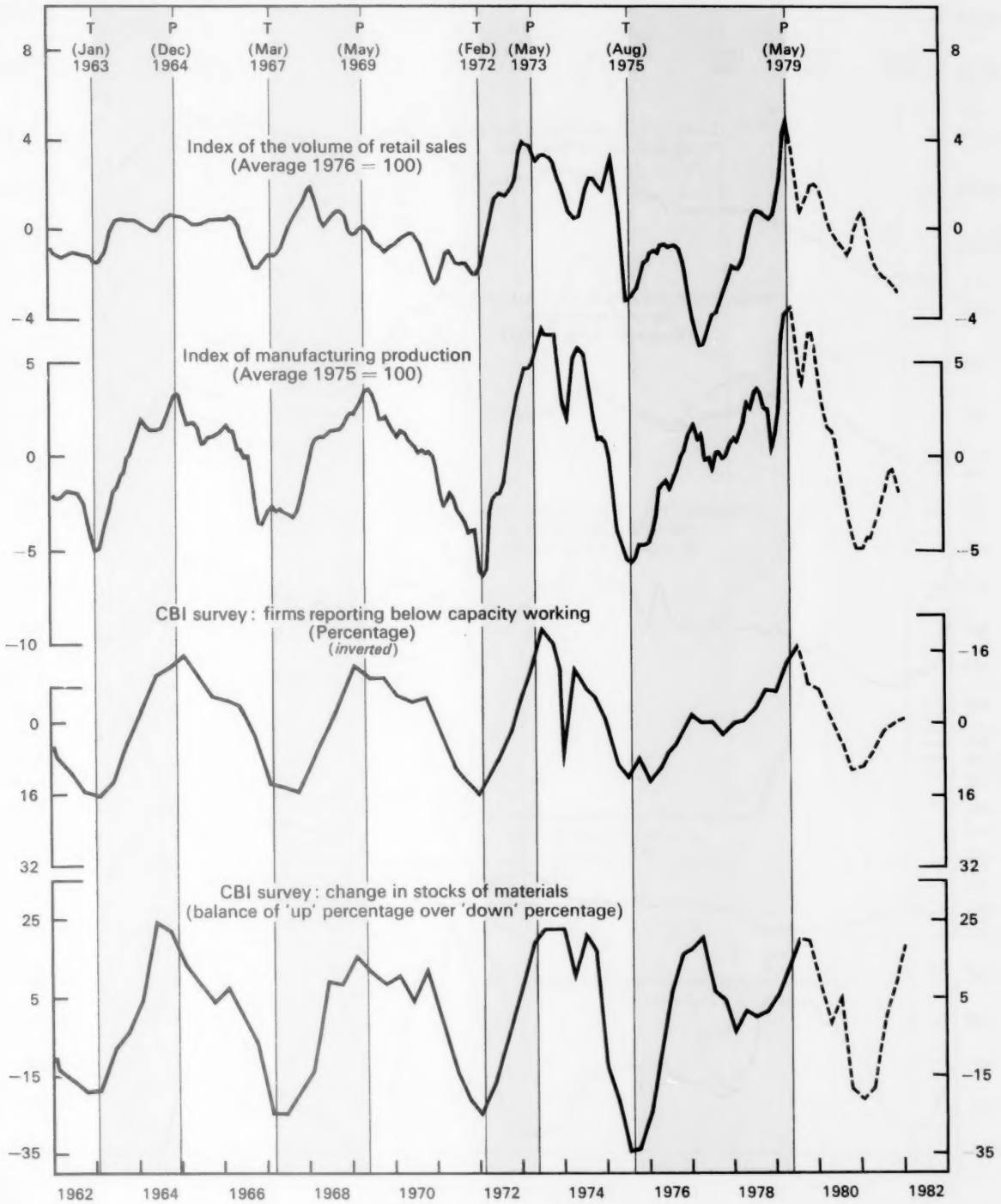
Cyclical indicators by timing classification

Coincident indicators. Smoothed seasonally adjusted series



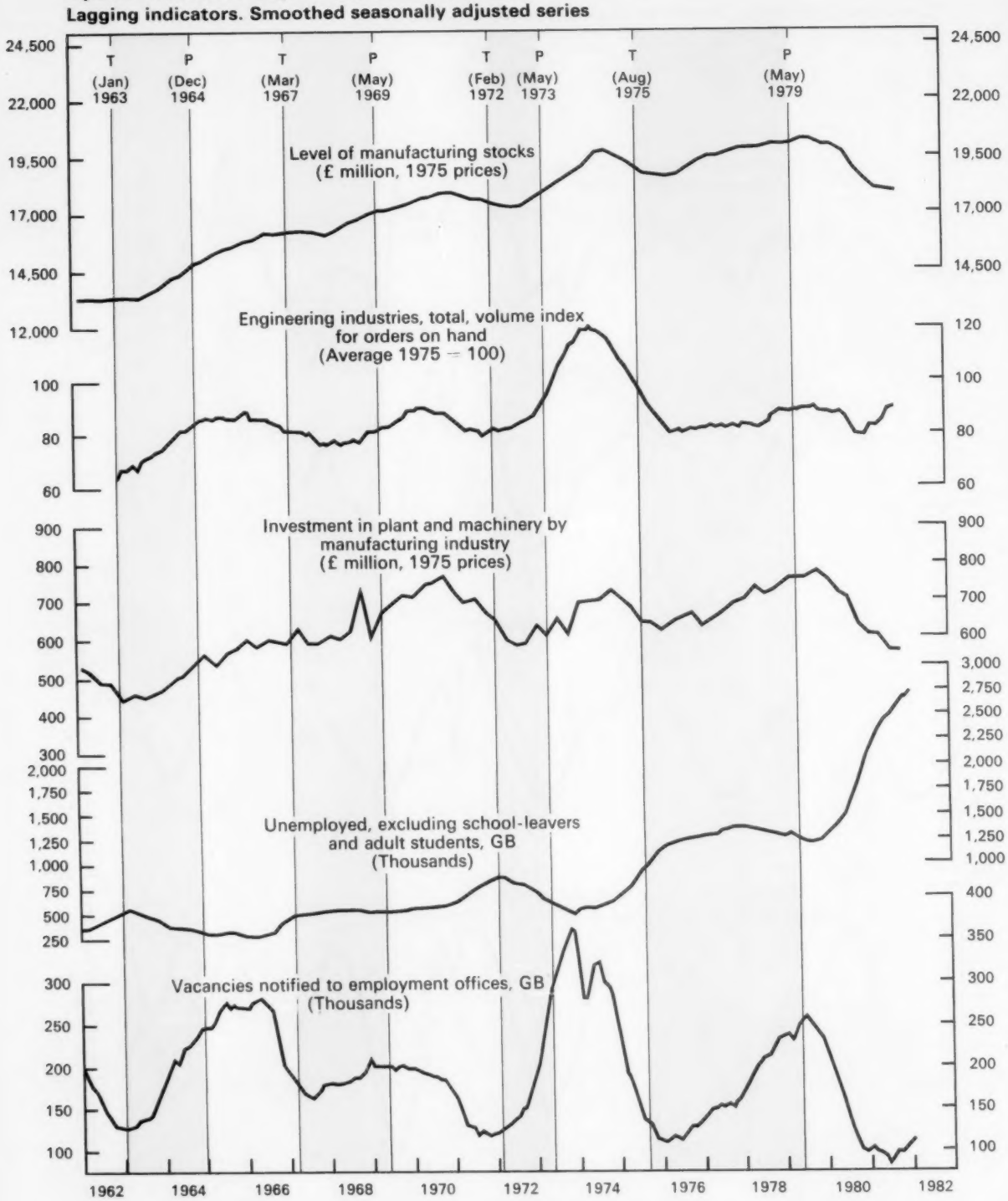
Cyclical indicators by timing classification

Coincident indicators. Smoothed trend-eliminated series



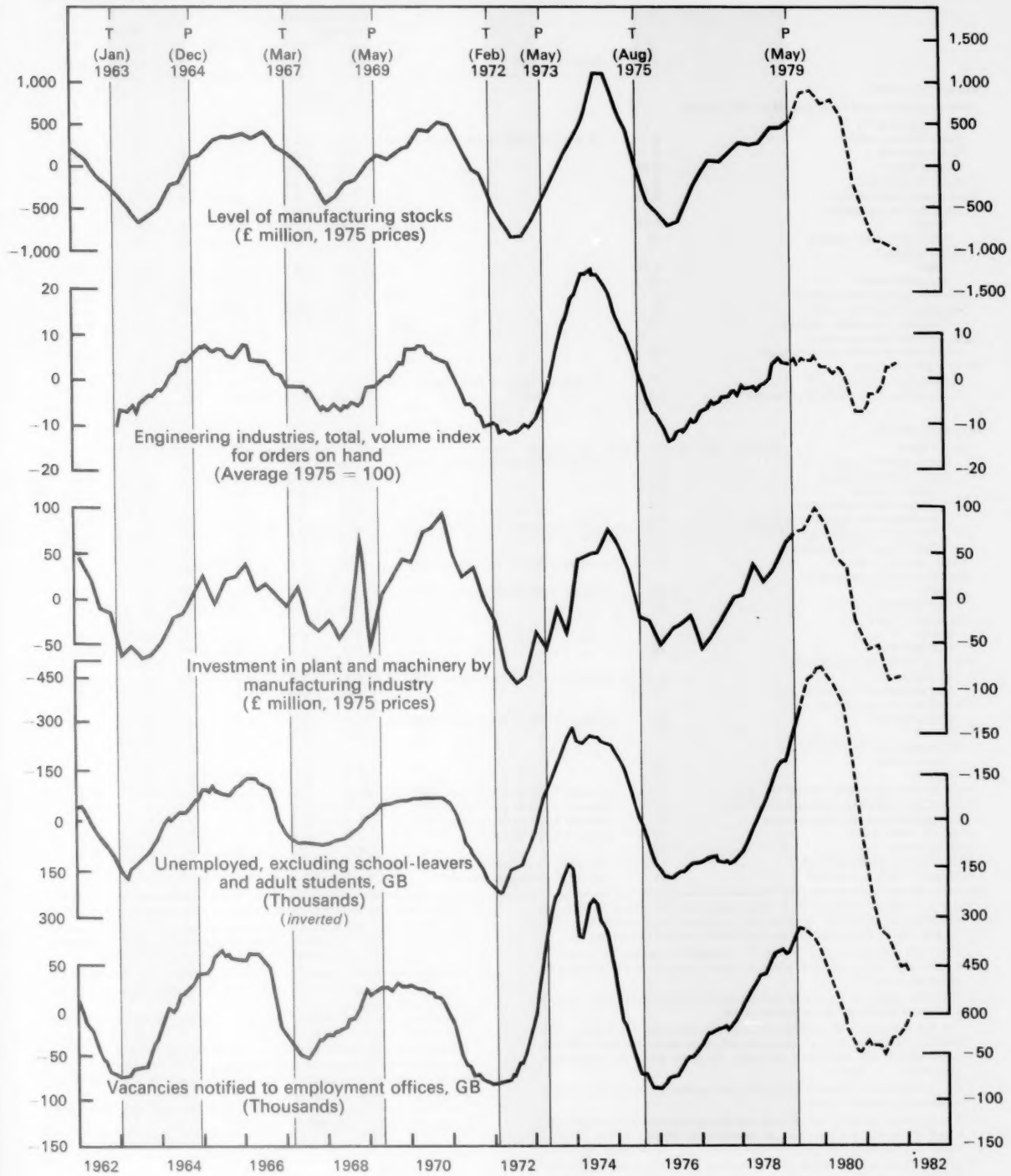
Cyclical indicators by timing classification

Lagging indicators. Smoothed seasonally adjusted series



Cyclical indicators by timing classification

Lagging indicators. Smoothed trend-eliminated series



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I/C}$	MCD or QCD	$\overline{I/C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 1st quarter 1981	1·2	0·8	0·7	1·1	2	0·5
Income based	6	" " " " " " "	1·2	0·9	0·8	1·1	2	0·3
Output based	6,28	" " " " 2nd " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " 1st " "	1·0	0·6	0·7	0·9	1	0·9
Consumers' expenditure	8,10	" " " " 2nd " "	1·2	0·8	0·8	0·9	1	0·9
Fixed capital formation								
Total	8,16	" " " " " " "	2·1	1·6	1·1	1·5	2	0·6
Manufacturing industry	18	" " " " " " "	3·7	2·4	2·4	1·0	2	0·3
Stockbuilding[2]								
Total	8,22	" " " " " " "	*211·5*	*135·7*	*128·2*	1·1	2	0·5
Manufacturing	22	" " " " " " "	*147·0*	*93·1*	*81·6*	1·1	2	0·5
Exports: goods and services	8	" " " " 4th " 1980	3·3	2·6	1·8	1·4	2	0·6
Imports: goods and services	8	" " " " " " "	2·8	2·2	2·0	1·1	2	0·4
Personal disposable income	10	" " " " 2nd " 1981	1·8	1·1	1·3	0·9	1	0·9
Other national income series								
Gross trading profits of companies	60	" " " " " " "	5·4	2·7	4·3	0·6	1	0·6
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1981	2·3	1·2	1·6	0·8	1	0·8
Public sector borrowing requirement[3]	56	" " 1971 " " " "	*602·0*	*447·2*	*256·0*	1·8	2	0·9
Monthly series								
Retail sales								
Total: current prices	12	January 1971 to December 1980	1·8	1·3	1·1	1·3	2	0·6
Total: constant prices	5,12	" " " " "	1·4	1·4	0·4	4·0	5	0·9
Food retailers	12	" " " " "	0·6	0·6	0·3	2·1	3	0·8
Mixed retail businesses	12	" " " " "	1·4	1·2	0·5	2·5	3	0·9
Clothing and footwear retailers	12	" " " " "	2·1	2·0	0·4	4·8	6	0·8
Household goods retailers	12	" " " " "	1·9	1·6	0·9	1·8	3	0·7
Other non-food retailers	12	" " " " "	1·2	1·0	0·4	2·3	3	0·8
Cars: new registrations	12	October 1974 to December 1980	10·8	10·8	1·1	9·9	6	
Housing: public authorities[4]								
Starts	20	January 1956 to December 1980	12·2	12·0	1·9	6·3	6	
Completions	20	" " " " "	7·9	7·8	1·2	6·5	6	1·0
Housing: private								
Starts	20	" " " " "	8·8	8·6	2·5	3·4	4	0·9
Completions	20	" " " " "	6·2	6·1	1·0	6·1	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to September 1981	1·1	0·9	0·5	1·8	3	0·7
Manufacturing industries	26, 28	" " " " "	1·4	1·2	0·6	2·2	3	0·8
Passenger car production:								
Home market	32	January 1968 to December 1980	12·8	12·6	1·9	6·6	6	
Export	32	" " " " "	12·1	11·9	1·3	9·2	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·8	9·4	1·7	5·5	6	
Export	32	" " " " "	11·1	10·8	2·0	5·5	6	
Unemployed excluding school-leavers[5]	5,36	January 1970 to December 1980	*20·8*	*5·8*	*19·6*	0·3	1	0·3
Vacancies notified to employment offices[5]	5,36	January 1970 to December 1980	*7·2*	*2·6*	*6·7*	0·4	1	0·4
Average earnings: whole economy	40	January 1976 to December 1980	1·1	0·2	1·1	0·2	1	0·2
Exports: value, f.o.b.[7]	48	January 1963 to February 1981	4·8	4·5	1·3	3·5	4	0·9
Imports: value, f.o.b.[7]	48	" " " " "	4·5	4·2	1·4	2·9	4	0·7
Money stock (sterling M_3)[3]	5,52	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	54	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I/C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I/C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

[7] The figures have been updated as described in an article in *Economic Trends*, No. 320, June 1980.

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Quarterly survey of UK company sources and uses of funds: Summary of results 1977-1980

MOIRA O'CONNOR, Departments of Industry and Trade*

This article puts on record the results of the quarterly survey of company sources and uses of funds, which was started in 1976 and terminated early in 1981 as part of the recent economies in Government statistics.

Introduction

The original proposal that information on sources and uses of funds should be collected from a sample of companies came from the Radcliffe Committee in 1959 (the report of the Committee on the Working of the Monetary System) but it was not pursued in detail until the 1970s. In the meantime, other improvements in financial statistics recommended by the Committee had been introduced. Publication started in 1963 of quarterly financial accounts, linked to the national accounts, for the various sectors of the economy, including industrial and commercial (IC) companies. The figures for IC companies are compiled from a variety of independent sources, often as residuals rather than from sources specifically relating to IC companies. As well as containing errors, they therefore tend to be inconsistent. There are also transactions on which little information is available at all, such as trade credit granted to the personal sector. These gaps and errors lead to a large and variable 'unidentified' item. This throws doubt on the validity of the figures for the sector, reducing the value of the analysis and forecasts which are based on them and thus their usefulness for policy purposes. Experience with these accounts therefore confirmed the need for direct information from companies. In addition to giving an internally consistent and balanced account, a direct survey has other potential advantages, over present methods of compiling the IC companies account, such as sub-analysis by industry or size of company.

Part of the Radcliffe recommendations for direct reporting from companies was met by the introduction of the quarterly company liquidity survey early in 1970, with an initial approach to the 300 largest companies in terms of capital employed. As results from this became available, the disadvantage of not being able to relate the changes shown to other movements in company funds became evident. The liquidity crisis of 1974, in particular, focussed attention on the need for better statistics of company finance. It was therefore decided to go ahead with a survey of company sources and uses of funds, initially by approaching the 219 companies then in the company liquidity survey (CLS), although it was hoped that it might eventually be possible to extend the coverage to a representative sample of all IC companies. The survey was introduced gradually during 1976.

Because the prime need was to analyse economic and financial activity in the UK, respondents were asked to make returns in respect of their UK operations only, (i.e. excluding overseas subsidiaries and branches). For some large and complex company groups, this created major problems. Other companies did not have all the information requested readily available on a quarterly basis. 170 companies took part in the survey at some time during its life but response tended to decline as time went on and returns came in slowly. As the potential advantages of the survey could only be fully realised if the coverage could be enlarged to a representative sample of all IC companies, which was out of the question both because of the response problems and of the cut backs in the Government Statistical Service, it was eventually decided that the survey should be discontinued after the fourth quarter of 1980.

No results from the survey have been published before although quarterly summaries were circulated within Government from 1979 onwards. This article brings together all the figures for 1977 to 1980; (in view of the gradual build-up during 1976, this year is not included). The results have been adjusted to make them more or less continuous over time despite changing response. However, the figures are not seasonally adjusted and comparisons over time may not be completely reliable, particularly for the latest quarters, for which the number of returns received was much lower than formerly. It has also to be remembered that figures are expressed in prices of the period concerned so that trends will reflect price movements as well as 'real' changes (prices in 1980 were 40–50 per cent above those of 1977).

The survey covers about 2½ years of economic growth followed by the recession starting about mid-1979. The primary results are summarised in tables 1 and 2. (The tables and charts, preceded by a list, are at appendix 1 and a list of the headings in the survey at appendix 2.) Table 1 gives the percentage breakdown of total sources and total uses for each quarter based on all the returns available for the quarter concerned. What is described as a linked total is derived by using the returns available in both of successive pairs of quarters to project forward the survey total for the fourth quarter of 1977. The percentages in table 1 are then applied to these totals to give the linked results of table 2, which forms the basis of all the other tables. Tables 3 and 4 give some comparisons with the figures for all IC companies as given by the national accounts; table 5 shows how changes in liquidity relate to changes in other movements of funds while table 6 compares the changes in liquidity shown in this survey with the larger block of companies in the CLS and with the indirectly calculated liquidity data for all IC companies given in the national accounts.

Analysis of sources and uses

The annual figures of table 1 show that profits and related income, with depreciation added back, reached their highest share of total sources of funds, as defined here, in 1978, with 75 per cent as against 65–70 per cent in the other three years. The net increase in creditors was usually the next largest source of funds, providing nearly 20 per cent in the years 1977 to 1979 but only 11 per cent in 1980. In some quarters it provided over 30 per cent. Changes in current liabilities, as defined in the CLS (mainly bank borrowing) contributed an increasing share between 1978 and 1980 as the recession put company finances under strain. Net proceeds from share issues made a fairly small, but increasing, contribution over these years. Long term

* The author would like to thank colleagues and ex-colleagues in Statistics Division ID of DIT for their work in compiling the statistics and colleagues in DIT, Central Statistical Office and the Bank of England for helpful comments on the article.

borrowing from banks and other sources was also relatively small but it increased in 1979 and the early part of 1980; in the fourth quarter of 1980 there were net repayments.

On the uses side, fixed investment was the biggest single item, taking about a third of total funds each year. Increases in book values of stocks were important, especially in 1977 and 1979, when they accounted for nearly 20 per cent of total funds, but much less so in 1980 when there were decreases in the last two quarters, reflecting physical reductions combined with much lower stock appreciation than earlier. Interest payments rose from under 10 per cent in the earlier years to 15 per cent in 1980. Tax payments accounted for about 10 per cent of total uses while dividend payments increased from 9 per cent in 1977 to 15 per cent in 1980. The abolition of dividend control led to a jump in late 1979 (the further jump in late 1980 is thought to reflect unrepresentative response rather than a genuine change). The net increase in debtors accounted for a substantial share of total uses in 1977 to 1979 but, presumably as a reaction to the recession, dropped sharply in 1980, and was negative in the last three quarters. Acquisitions and other investment in subsidiaries and associates were generally relatively small, the exception being in the second quarter 1980 when they took 27 per cent of total funds. The impact of changes in current assets varied widely, from minus 13 per cent to plus 15 per cent of total uses in individual quarters. In the year 1977 6 per cent of total funds were used to increase them but they were drawn down in 1978 and, even more, in 1979, then partially rebuilt in the second half of 1980.

Relationship between liquidity changes and other items

Table 5 re-groups the survey data to relate changes in liquidity to other movements of funds, which was one of the original objectives of the sources and uses survey. It shows funds available after payment of interest, dividends and taxes (line A), in comparison with investment of all types (B) and the changes in debtors/creditors (C) and net current assets (D). The last two can be regarded as balancing available funds and investment.

The annual figures show investment greater than available funds in each year, with a particularly large gap in 1980. In that year, both internal funds and long term borrowing were much lower than in 1979, reducing available funds by far more than investment was cut back. Reference to table 2 shows that the reduction in internal funds was due to lower company income (profit, etc.) combined with much higher accruals of interest and some increase in dividend and tax payments. Investment was kept down to some extent by substantially lower expenditure on stocks and by increasing expenditure on fixed assets by less than inflation, (i.e. cutting it in volume terms). The large difference between available funds and investment was made up almost equally by a net increase in creditors less debtors and a reduction in net current assets. In 1979, when the difference between available funds and investment was much less, the reduction in net current assets (which was of similar magnitude to 1980's) was far more important than changes in creditors/debtors while in 1977 and 1978 changes in creditors/debtors contributed more to available finance than changes in liquidity.

Comparison with national accounts

Table 3 and charts 1 to 4 compare certain figures from the survey with national accounts estimates for all IC companies. As is probably to be expected, the figures for the relatively small number of large companies in the survey tended to be more volatile but charts 1 to 3 show that, over the whole 4-year period, the trends in company income, fixed investment and changes in the book value of stocks were similar to the national accounts. Company income reached a peak about end–1979 after which that of survey companies fell slightly more than that of all IC companies. Survey companies' fixed investment rose more sharply in late 1979 and remained below the peak then reached, whereas that of all IC companies returned to its late 1979 level by mid 1980, then rose further. The survey companies' stock values rose comparatively less during 1979 than those of all IC companies but in 1980, as expenditure on stocks fell, the relationship between the two series which prevailed in 1977 and 1978 was resumed.

Chart 4 compares the survey companies' financial surplus/deficit with that of all IC companies calculated from their capital account (see detail on an annual basis in lines 1 to 7 of table 4) and an alternative estimate derived by summing identified financial transactions (lines 11 to 15 of table 4). All three series fluctuate considerably, making the chart difficult to interpret. On a simple comparison of changes from one quarter to the next, the survey shows the same direction of change as the overall surplus/deficit in 11 out of the 15 quarters and as the sum of identified transactions in 7, providing no clear evidence as to whether errors, omissions and timing differences are greater in the financial accounts, (i.e. the records of transactions in financial assets and liabilities) or the appropriation and capital accounts for all IC companies. Table 4 shows much more stable relationships between the survey companies and all IC companies in the appropriation and capital accounts in lines 1 to 7 than in the financial transactions in lines 9 to 16 (although stability may be less likely in items which can be positive or negative, as can most of the financial accounts items). The ratio of all companies to survey companies in lines 1 to 7 varies only between 2 and 5 and for lines 1, 2 and 6 hardly changes over the four years.

The comparison of creditors/debtors (table 4 line 12) is particularly interesting because of the known deficiencies in the national accounts figures (which exclude, for example, credit granted to the personal sector). The national accounts also omit transactions between IC companies whereas the survey figures will only be netted out to the extent that respondents give credit to one another. Thus the two sets of figures are difficult to compare but they do tend to support the suggestion that, in 1980, larger companies had more success in curtailing the growth of debtors compared with creditors than companies in general.

The bottom part of table 4 estimates the figures for survey companies comparable with the 'net borrowing requirement' (a better measure of companies' need for cash than the financial deficit) of all IC companies. Chart 5 shows that the two series moved quite differently in 1978 but very similarly in 1977 and again in 1979 and 1980; in 1980 both fell in the last three quarters but the national accounts figures showed their sharpest fall in the second quarter whereas the survey comapnies had only a modest fall then and more marked falls in the third and fourth quarters.

Comparisons of liquidity changes

Table 6 and charts 6 to 8 show how the liquidity changes in this survey compare with the CLS itself and with figures available for IC companies as a whole. Although the CLS covers the same ground as the liquidity items in the sources and uses survey, it includes more companies and some respondents' figures in the two surveys have differed, often for reasons connected with timing. Chart 6 shows that the trend in changes in net current assets over the 4 years was

similar in the two surveys although both the end–1977 peak and the end–1979 trough came a quarter earlier in the CLS and the pattern in the last two quarters of 1980 was different. Not surprisingly the CLS showed bigger changes.

Because the figures of bank loans used for calculating changes in net 'current' assets for all IC companies include those of all maturities, the difference made by allowing for long term bank borrowing in the survey figures of changes in net 'current' assets is shown in chart 7; except in the fourth quarter of 1980 it does not alter the direction of movement. The increased amount of longer term borrowing from banks in 1979 and the first three quarters of 1980 that is shown in table 2 is reflected in the bigger gap between the two series over this period. Chart 8 makes the comparison with all IC companies. There was a downward trend in both the survey and all IC companies' figures from end-1977/early 1978 to the first quarter of 1980 and a marked rise in both series subsequently; there were divergencies between the two series in particular quarters.

Conclusion

A direct survey such as this, giving an internally consistent and balanced account, has potentially great advantages over the disparate collection of partial surveys and indirect sources on which figures for the IC companies sector in the national accounts are based at present. It is difficult to see how the statistics of this vitally important sector, which badly need improving, can be made decisively better without some form of integrated reporting of this kind. But, given the difficulties which companies found in completing the returns and the need to reduce DIT statistical effort, it was impossible to develop the survey so that its potential advantages could be realized and it was difficult to justify continuing it in its limited form without that prospect.

The survey nevertheless produced the only integrated picture of the sources and uses of funds of IC companies' UK operations, albeit for no more than a set of large companies and a limited period, and we are grateful to those companies which participated. It helped in interpreting changes in their liquidity by relating them to other changes, particularly in debtors/creditors, on which there is very little other information. It was useful to be able to see in detail how at least some large companies behaved over a period of varying economic fortune, including the onset of recession and the beginning of the subsequent upturn, instead of having to rely entirely on the national accounts statistics supplemented by anecdotal information. And the comparison with the national accounts provided some reassurance as to the plausibility of the overall sector figures.

APPENDIX 1

LIST OF TABLES AND CHARTS

Tables

1 Percentage breakdown of total sources and uses.

2 All companies linked results – quarterly and annual totals.

2A Derivation of linked series.

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4 Composition of financial surplus/deficit and the net borrowing requirement. Comparison between all industrial and Commercial Companies and Survey Companies, annual totals.

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5 Alternative presentation to account for changes in items covered by the Liquidity Survey.

6 Changes in net current assets – comparison with quarterly survey of company liquidity and figures for all Industrial and Commercial Companies.

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1 Comparison with the National Accounts: Company income.

2 Comparison with the National Accounts: Expenditure on Fixed Assets.

3 Comparison with the National Accounts: Increase in book value of stocks.

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5 Net borrowing requirement: Comparison of National Accounts and Survey Companies.

6 Changes in net current assets: Comparison with Liquidity Survey.

7 Changes in net current assets: Sources and Uses Survey – including and excluding long-term bank borrowing.

8 Changes in net current assets: Comparison with data for all Industrial and Commercial Companies.

Quarterly survey of company sources and uses of funds
All responding companies – percentage breakdown of sources and uses 1977 to 1980

TABLE 1

per cent

Item Number	Brief description of item	1977				1978				1979				1980				Years[2]			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	1977	1978	1979	1980
	Effective number of returns[1]	143	153	155	150	148	144	143	137	136	127	121	116	113	99	85	62				
	Sources of funds																				
1 to 9	Company income – profits, dividends etc receivable, including depreciation and extraordinary items	60·9	80·5	70·7	70·0	67·9	71·3	101·1	70·0	58·8	69·3	77·5	61·9	62·4	71·6	72·5	86·5	69·9	75·2	66·0	67·5
10	Government grants receivable	0·7	1·4	1·1	1·2	1·2	1·4	1·7	1·5	1·1	1·3	1·3	1·4	0·9	0·8	1·1	0·8	1·1	1·4	1,3	0·9
11 & 12	Net shares and loan stock issued in exchange for subsidiaries acquired	0·4	2·5	0·6	1·1	0·3	0·5	0·4	0·4	0·5	0·7	0·1	2·7	0·9	1·5	—	0·7	1·1	0·4	1·2	0·8
13 & 14	Net proceeds from share issues	1·3	3·0	3·0	3·4	0·9	4·1	0·8	3·2	6·6	2·8	2·1	2·8	3·2	3·5	13·1	1·7	2·6	2·4	3·6	4·9
17	Net increase in long term borrowing from banks in the UK	2·1	−0·7	−0·6	3·2	−1·4	−0·5	−0·1	−0·8	2·6	2·5	2·8	4·8	2·8	3·5	5·1	−4·3	1·1	−0·7	3·3	1·9
18 & 19	Net increase in other long term borrowing	0·1	0·8	−0·4	1·4	4·3	1·7	−0·9	−0·7	—	1·7	−0·6	2·3	1·1	0·5	−0·3	−7·5	0·5	1·1	1·0	−1·2
15 & 16	Change in current liabilities (liquidity survey items)	2·9	1·3	8·5	2·6	−9·0	4·8	7·8	5·5	12·7	6·1	−0·5	5·4	18·1	10·8	10·7	8·9	3·9	2·1	6·2	12·9
20 & 21	Net increase in other short term borrowing	1·5	−0·3	0·6	−0·5	2·5	0·6	−0·9	−0·9	0·7	0·1	1·2	−0·6	−0·3	3·9	−1·0	2·3	0·4	0·3	0·2	1·2
22 & 23	Net increase in creditors	30·1	11·5	16·5	17·6	33·3	16·1	−9·9	21·8	17·0	15·5	16·1	19·3	10·9	3·9	−1·2	30·9	19·5	17·7	17·2	11·2
24	**Total sources of funds**	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	Uses of funds																				
25 & 26	Interest payable	8·6	9·9	9·3	7·5	8·4	8·4	14·6	9·4	9·6	9·5	11·2	9·0	10·3	15·7	20·4	16·4	8·8	9·8	9·7	14·9
27 & 28	Tax paid	9·0	8·1	7·4	13·9	12·2	10·7	8·0	10·3	12·7	8·4	6·2	9·8	13·9	9·8	5·7	13·7	9·7	10·5	9·5	11·3
29 & 30	Dividends paid	6·4	10·2	10·4	10·5	9·3	12·4	15·7	11·4	9·2	9·1	15·2	19·3	7·9	9·4	19·5	29·2	9·3	11·9	13·6	15·2
31 & 32	Net expenditure on acquisition of subsidiaries, and investment in associates	2·0	3·8	3·7	1·9	3·8	2·8	4·0	4·0	5·5	5·2	6·8	9·0	3·7	27·1	2·8	3·0	2·8	3·6	6·8	9·1
33	Net expenditure on fixed assets	23·2	32·9	29·1	36·3	32·7	35·1	52·2	32·5	27·6	30·4	36·5	29·6	27·5	34·5	46·1	41·7	30·2	36·6	30·7	35·9
35	Change in book value of stocks	27·7	21·6	15·4	12·8	9·6	15·5	15·7	11·0	15·8	15·7	24·8	16·7	16·1	15·3	−4·4	−8·2	19·4	12·6	17·8	6·6
38 & 39	Net investment in companies other than subsidiaries and associates	−0·2	—	0·1	0·5	1·5	0·3	−0·5	0·1	−0·3	−5·2	−0·3	4·0	1·5	1·4	1·8	0·2	0·1	0·4	−0·1	1·2
40 & 41	Change in current assets (liquidity survey items)	3·9	−0·8	15·5	6·0	1·7	−1·0	−13·3	3·8	−1·4	1·7	−5·6	−7·1	−0·9	−2·1	11·1	3·6	6·3	−0·9	−3·3	2·1
34, 42, 43 & 44	Other expenditure and investment in other assets	−1·2	3·9	2·3	1·8	6·1	1·8	3·6	2·9	1·3	−2·4	0·6	−2·3	3·4	−1·0	—	3·0	1·5	3·5	−0·9	1·6
36 & 37	Net increase in debtors	20·6	10·4	6·8	8·8	14·7	14·0	—	14·6	20·0	27·6	4·6	12·0	16·6	−10·1	−3·0	−2·6	11·9	11·9	16·3	2·0
45	**Total uses of funds**	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Note:

[1] including annual and half yearly returns spread evenly over the relevant quarters.

[2] Percentages calculated from annual totals in Table 2.

Quarterly survey of company sources and uses of funds
All companies – linked results for 1977 to 1980

TABLE 2

£ million

Item number	Brief description of item	1977 Q1	1977 Q2	1977 Q3	1977 Q4	1978 Q1	1978 Q2	1978 Q3	1978 Q4	1979 Q1	1979 Q2	1979 Q3	1979 Q4	1980 Q1	1980 Q2	1980 Q3	1980 Q4	Annual totals 1977	1978	1979	1980
	Effective number of returns[1]	115	120	118	113	113	116	115	114	106	105	99	96	92	85	74	54				
	Sources of funds																				
1 to 9	Company income - profits, dividends etc receivable, including depreciation and extraordinary items	1,436	1,446	1,485	1,560	1,476	1,583	1,547	2,015	1,742	2,110	1,870	2,458	2,456	2,023	1,624	1,677	5,927	6,621	8,180	7,780
10	Government grants receivable	17	25	23	27	26	31	26	43	33	40	31	56	35	23	25	20	92	126	160	103
11 & 12	Net shares and loan stock issued in exchange for subsidiaries acquired	9	45	13	24	7	11	6	12	15	21	2	107	35	43	—	18	91	36	145	96
13 & 14	Net proceeds from share issues	31	54	63	76	20	91	12	92	195	85	51	111	126	99	293	43	224	215	442	561
17	Net increase in long term borrowing from banks in the UK	50	– 13	– 13	71	– 30	– 11	– 2	– 23	77	76	68	191	110	99	114	–108	95	– 66	412	215
18 & 19	Net increase in other long term borrowing	2	14	– 8	31	94	38	– 14	– 20	—	52	– 14	91	43	14	– 7	–189	39	98	129	– 139
15 & 16	Change in current liabilities (liquidity survey items)	68	23	178	58	– 196	107	120	158	376	186	– 12	215	713	305	240	224	327	189	765	1,482
20 & 21	Net increase in other short term borrowing	35	– 5	13	– 11	54	13	– 14	– 26	21	3	29	– 24	– 12	110	– 22	58	32	27	29	134
22 & 23	Net increase in creditors	709	207	346	392	724	357	–151	628	503	472	388	766	429	110	– 27	779	1,654	1,558	2,129	1,291
24	**Total sources of funds**	2,357	1,796	2,100	2,228	2,175	2,220	1,530	2,879	2,962	3,045	2,413	3,971	3,935	2,826	2,240	2,522	8,481	8,804	12,391	11,523
	Uses of funds																				
25 & 26	Interest payable	203	178	195	167	183	186	224	271	284	289	270	357	405	443	457	414	743	864	1,200	1,719
27 & 28	Tax paid	212	145	155	310	265	238	122	297	376	256	150	389	547	277	128	346	822	922	1,171	1,298
29 & 30	Dividends paid	151	183	219	234	202	275	240	328	272	277	367	766	311	265	437	736	787	1,045	1,682	1,749
31 & 32	Net expenditure on acquisition of subsidiaries, and investment in associates	47	68	78	42	83	62	61	115	163	158	164	357	145	766	63	76	235	321	842	1,050
33	Net expenditure on fixed assets	547	591	611	809	710	779	799	936	818	926	881	1,176	1,082	975	1,032	1,051	2,558	3,224	3,801	4,140
35	Change in book value of stocks	653	388	323	285	209	344	240	317	468	478	598	663	634	432	– 99	–207	1,649	1,110	2,207	760
38 & 39	Net investment in companies other than subsidiaries and associates	– 5	—	2	11	33	7	– 8	3	– 9	–158	– 7	159	59	40	40	5	8	35	– 15	144
40 & 41	Change in current assets (liquidity survey items)	92	– 14	326	134	37	– 22	–203	109	– 41	52	–135	–282	– 35	– 59	249	91	538	– 79	– 406	246
34, 42, 43 & 44	Other expenditure and investment in other assets	– 28	70	48	40	133	40	55	83	39	– 73	14	– 91	134	– 28	—	76	130	311	– 111	182
36 & 37	Net increase in debtors	485	187	143	196	320	311	—	420	592	840	111	477	653	–285	– 67	– 66	1,011	1,051	2,020	235
45	**Total uses of funds**	2,357	1,796	2,100	2,228	2,175	2,220	1,530	2,879	2,962	3,045	2,413	3,971	3,935	2,826	2,240	2,522	8,481	8,804	12,391	11,523

Note:

[1] Number of returns in the link used to derive totals (see example of calculation at Table 2A). Figures for individual items derived by applying the percentages in Table 1 to these "linked" totals.

Derivation of linked series of total sources/uses of funds

TABLE 2A

Respondents reporting in both of successive pairs of quarters	1980 Q3 (linked with Q2 1980)	1980 Q4 (linked with Q3 1980)
Number of respondents	74	54
Total sources/uses of funds £m		
Current quarter (*a*)	1,200·1	1,123·4
Previous quarter (*b*)	1,513·6	997·9
Linked series		
Total for previous quarter (*c*)	2,825·6	2,240·4
Total for current quarter (*d*)	2,240·4	2,522·2

NOTES:

(*c*) is derived by a series of links from the 1977 Q4 unlinked total of £2,228·1m.

$$(d) = (c) \times \frac{(a)}{(b)}$$

Quarterly survey of company sources and uses of funds
Comparison with the national accounts: company income, capital expenditure, increase in stocks and financial surplus/deficit

TABLE 3

	Company income[1]		Expenditure on fixed assets		Increase in book value of stocks[2]		Financial surplus/deficit		
							All I & C companies		
	All I & C companies[3]	Survey companies[4]	All I & C companies[5]	Survey companies[6]	All I & C companies[7]	Survey companies[8]	Total[9]	Identified transactions only[10]	Survey companies[11]
£ million									
1977 Quarterly average	6,255	1,482	2,423	640	1,375	412	15	— 45	—135
1979 Q1	7,939	1,742	3,042	818	2,485	468	—1,093	—2,272	—443
Q2	9,245	2,110	3,223	926	2,050	478	— 77	— 518	— 76
Q3	9,473	1,870	3,536	881	2,440	598	— 747	— 355	—365
Q4	10,697	2,458	3,912	1,176	2,306	663	—1,357	—1,787	—837
1980 Q1	10,523	2,456	3,612	1,082	2,109	634	— 968	—2,722	—488
Q2	9,098	2,023	3,830	975	1,268	432	— 679	— 188	—346
Q3	7,641	1,624	3,969	1,032	— 293	— 99	—1,698	— 585	—306
Q4	8,579	1,677	4,229	1,051	—1,231	—207	423	360	—643
Index numbers (1977 average = 100)									
1977 Q1	103	97	82	85	157	158	—	—	—
Q2	98	98	102	92	108	94	—	—	—
Q3	95	100	101	95	61	78	—	—	—
Q4	104	105	115	126	74	69	—	—	—
1978 Q1	106	100	115	111	59	51	—	—	—
Q2	113	107	122	122	86	83	—	—	—
Q3	110	104	123	125	67	58	—	—	—
Q4	126	136	130	146	90	77	—	—	—
1979 Q1	127	118	126	128	181	114	—	—	—
Q2	148	142	133	145	149	116	—	—	—
Q3	151	126	146	138	177	145	—	—	—
Q4	171	166	161	184	168	161	—	—	—
1980 Q1	168	166	149	169	153	154	—	—	—
Q2	145	137	158	152	92	105	—	—	—
Q3	122	110	164	161	— 21	— 24	—	—	—
Q4	137	113	175	164	— 90	— 50	—	—	—

Notes:

[1] Profits before allowing for depreciation and stock appreciation, plus rent, non-trading income and income from abroad.
[2] Including increase in book value of work in progress.
[3] *Source:* Financial Statistics (December 1981) Table 9.1, column 1.
[4] *Source:* Table 2, items 1 to 9.
[5] *Source:* Financial Statistics (December 1981) Table 9.2 (lower part) Column 4.
[6] *Source:* Table 2, item 33.
[7] *Source:* Financial Statistics (December 1981) Table 9.2 (lower part) column 5.
[8] *Source:* Table 2, item 35.
[9] *Source:* Financial Statistics (December 1981) Table 1.9 (upper part) column 1.
[10] *Source:* Financial Statistics (December 1981) Table 1.9 (upper part) column 1 less column 14 (lower part).
[11] *Source:* Table 2, items 1 to 9 plus 10, less items 25 and 26, 27 and 28, 29 and 30, 33 and 35 (detail in Table 4, on annual basis).

Composition of financial surplus/deficit and the net borrowing requirement

Comparison between all industrial and commercial companies and survey companies

TABLE 4

£ million

Line	Brief description of Item[1] All I and C companies (A)	Survey companies (S)	1977 A	1977 S	1977 A/S	1978 A	1978 S	1978 A/S	1979 A	1979 S	1979 A/S	1980 A	1980 S	1980 A/S
1	Total income less unremitted profits of overseas subsidiaries	Profit and other income	23,923	5,927	4·0	27,428	6,621	4·1	35,994	8,180	4·4	34,745	7,780	4·5
2	Dividends, interest and profits remitted abroad	Dividends and interest paid	6,583	1,530	4·3	7,706	1,909	4·0	11,709	2,882	4·1	13,427	3,468	3·9
3	Tax paid (UK)	Tax paid	2,276	822	2·8	2,945	922	3·2	3,879	1,171	3·3	5,537	1,298	4·3
4	Saving	Saving	15,064	3,575	4·2	16,777	3,790	4·4	20,406	4,127	4·9	15,781	3,014	5·2
4a	Adjustment for unremitted profit	—	− 65	NA	—	38	NA	—	− 1,006	NA	—	− 1,613	NA	—
4b	Saving as used to calculate financial surplus/deficit	—	14,999	NA	—	16,815	NA	—	19,400	NA	—	14,168	NA	—
5	Capital tranfers (net)	Government grants receivable	251	92	2·7	370	126	2·9	320	160	2·0	383	103	3·7
6	Expenditure on fixed assets	Expenditure on fixed assets	9,690	2,558	3·8	11,872	3,224	3·7	13,713	3,801	3·6	15,640	4,140	3·8
7	Increase in book value of stocks	Increase in book value of stocks	5,501	1,649	3·3	4,164	1,110	3·8	9,281	2,207	4·2	1,853	760	2·4
8	Financial surplus/deficit	Financial surplus/deficit	59	− 540	− 0·1	1,149	− 418	− 2·7	− 3,274	−1,721	1·9	− 2,942	−1,783	1·7
9	Change in current assets	Change in current assets	3,138	538	5·8	2,809	− 79	−35·6	961	− 406	− 2·4	3,802	246	15·5
10	Change in current liabilities including all bank lending	Change in current liabilities (plus long term borrowing from banks)	2,794	422	6·6	3,273	123	26·6	5,247	1,177	4·5	7,246	1,697	4·3
11	Change in net current assets (see note [2], Table 4A)	Change in net current assets	344	116	3·0	− 464	− 202	2·3	− 4,286	−1,583	2·7	− 3,444	−1,451	2·4
12	Net identified credit given (including all accruals adjustments)	Net increase in debtors less net increase in creditors	47	− 643	− 0·1	− 50	− 507	0·1	− 2,004	− 109	18·4	753	−1,056	− 0·7
13	Investment in securities including acquisitions	Investment in securities including acquisitions	1,105	152	7·3	1,706	320	5·3	1,816	682	2·7	2,008	1,098	1·8
14	Capital issues plus overseas direct investment	Issues of shares for cash	860	224	3·8	871	215	4·1	844	442	1·9	1,820	561	3·2
15	Other indentified transactions	Other transactions	− 338	59	− 5·7	551	186	3·0	386	− 269	− 1·4	− 632	187	− 3·4
16	Unidentified transactions	—	− 239	NA	—	277	NA	—	1,658	NA	—	193	NA	—
17	Financial surplus/deficit	Financial surplus/deficit	59	− 540	− 0·1	1,149	− 418	− 2·7	− 3,274	−1,721	1·9	− 2,942	−1,783	1·7
18	Net unremitted profits	—	− 65	NA	—	38	NA	—	− 1,006	NA	—	− 1,613	NA	—
19	Net identified credit given	Net increase in debtors less net increase in creditors	47	− 643	− 0·1	− 50	− 507	0·1	− 2,004	− 109	18·4	753	−1,056	− 0·7
20	Investment in securities including acquisitions	Investment in securities including acquisitions	1,105	152	7·3	1,706	320	5·3	1,816	682	2·7	2,008	1,098	1·8
21	Investment overseas not included in line 20	Increase in miscellaneous investments and holdings of money overseas less net borrowing from overseas.	394	− 121	− 3·3	1,057	− 117	− 9·0	2,549	− 31	−82·2	941	− 123	− 7·7
22	Net borrowing requirement	Net borrowing requirement	1,183	− 72	−16·4	1,879	114	16·5	6,287	2,263	2·8	5,224	1,702	3·1

Note:

[1] Sources: All I and C Companies, Financial Statistics (Dec 1981) Survey Companies, Table 2. Detailed sources within these are shown in Table 4A.

Source of data for Table 4

TABLE 4A

Line	All I & C companies (table/column number in Financial Statistics December 1981)	Survey companies (survey item number in Table 2)
1	9.1/1−9.1/7[1]	1 to 9
2	9.1/8+9+10−11	25+26+29+30
3	9.1/12[1]	27+28
4	Lines 1–2–3	Lines 1–2–3
4a	9.1/7−9.1/11	Not applicable
4b	Lines 4+4a	Not applicable
5	1.1 (cont)/6	10
6	1.1 (cont)/7	33
7	1.1 (cont)/8	35
8	Lines 4b+5−6−7 = 1.1 (cont page 6)/7	Lines 4+5−6−7
9[2]	1.9/6+7+8/12+10+19+20+21.1+21.2+21.3+22+23	40+41
10[2]	1.9/−15−24.1 − 24.2−27/29	15+16+17
11[2]	Lines 9–10	Lines 9–10
12	1.9/38+9.2 (cont)/2+3	36+37−22−23
13	9.2 (bottom)/6+7	31+32+38+39−11−12
14	9.2 (top)/10+11+12+13	13+14
15	1.9/28+34+35+36+37	−18−19−20−21+34+42+43+44
16	1.9/40	Not applicable
17	Lines 11+12+13−14+15+16 = line 8 = 1.1 (cont page 6)/7	Lines 11+12+13−14+15
18	Line 4a	Not applicable
19	Line 12	Line 12
20	Line 13	Line 13
21	9.2 (bottom)/8	43−19−21
22	Lines 16−17+18+19+20+21 = 9.2 (cont)/10	Lines −17+19+20+21

Notes:

[1] Tax paid abroad excluded as figures no longer available.

[2] From Q1 1980, SAU figures in line 9 include changes in companies' holdings of commercial paper, loans outstanding to other non-financial companies and current assets held overseas. In line 10 they include changes in all short-term borrowing from UK and overseas (formerly covered borrowing from banks and other financial institutions in UK only). No changes have been made to the national accounts figures on this account as the items concerned cannot be distinguished.

Quarterly survey of company sources and uses of funds

Alternative presentation to account for changes in items covered by the Liquidity Survey[1]

TABLE 5

£ million

Item Number	Brief description of item	1977 Q1	1977 Q2	1977 Q3	1977 Q4	1978 Q1	1978 Q2	1978 Q3	1978 Q4	1979 Q1	1979 Q2	1979 Q3	1979 Q4	1980 Q1	1980 Q2	1980 Q3	1980 Q4	Annual totals 1977	1978	1979	1980
(1 to 9) – (25 to 30)	Total internal funds	870	940	916	849	826	884	961	1,119	810	1,288	1,083	946	1,193	1,038	602	181	3,575	3,790	4,127	3,014
10, 13, 14, 17, 18 & 19	Long term borrowing, etc	100	80	65	205	110	149	22	92	305	253	136	449	314	235	425	−234	450	373	1,143	740
20 & 21	Short term borrowing not covered by liquidity survey	35	− 5	13	− 11	54	13	− 14	− 26	21	3	29	− 24	− 12	110	− 22	68	32	27	29	134
	Total A	1,005	1,015	994	1,043	990	1,046	969	1,185	1,136	1,544	1,248	1,371	1,495	1,383	1,005	5	4,057	4,190	5,299	3,888
33	Expenditure on fixed assets	547	591	611	809	710	779	799	936	818	926	881	1,176	1,082	975	1,032	1,051	2,558	3,224	3,801	4,140
(31 & 32)– (11 & 12)	Net cash expenditure on acquisitions	38	23	65	18	76	51	55	103	148	137	162	250	110	723	63	58	144	285	697	954
34, 38, 39, 42, 43 & 44	Other expenditure and investment	− 33	70	50	51	166	47	47	86	30	−231	7	68	193	12	40	81	138	346	−126	326
35	Increase in book value of stocks	653	388	323	285	209	344	240	317	468	478	598	663	634	432	− 99	−207	1,649	1,110	2,207	760
	Total B	1,205	1,072	1,049	1,163	1,161	1,221	1,141	1,442	1,464	1,310	1,648	2,157	2,019	2,142	1,036	983	4,489	4,965	6,579	6,180
36 & 37	Net increase in debtors	485	187	143	196	320	311	—	420	592	840	111	477	653	−285	− 67	− 66	1,011	1,051	2,020	235
22 & 23	Net increase in creditors	709	207	346	392	724	357	−151	628	503	472	388	766	429	110	− 27	779	1,654	1,558	2,129	1,291
	Total C (net increase in debtors less creditors)	−224	− 20	−203	−196	−404	− 46	151	−208	89	368	−277	−289	224	−395	− 40	−845	−643	−507	−109	−1,056
40 & 41	Change in current assets covered by liquidity survey	92	− 14	326	134	37	− 22	−203	109	− 41	52	−135	−282	− 35	− 59	249	91	538	− 79	−406	246
15 & 16	Change in current liabilities covered by liquidity survey	68	23	178	58	−196	107	120	158	376	186	− 12	215	713	305	240	224	327	189	765	1,482
	Total D (change in net current assets covered by liquidity survey)	24	− 37	148	76	233	−129	−323	− 49	−417	−134	−123	−497	−748	−364	9	−133	211	−268	−1,171	−1,236
	Total B + C + D = A	1,005	1,015	994	1,043	990	1,046	969	1,185	1,136	1,544	1,248	1,371	1,495	1,383	1,005	5	4,057	4,190	5,299	3,888

Note:

[1] A rearrangement of the data in Table 2

Changes in net current assets[1]

Comparison with quarterly survey of company liquidity and figures for all industrial and commercial companies

TABLE 6

£ million

	Excluding long-term borrowing		Including long-term borrowing	
	Sources and uses survey[2]	Liquidity survey[3]	Sources and uses survey[4]	All I and C companies[5]
1977 Q1	24	379	− 26	− 225
Q2	− 37	−134	− 24	− 255
Q3	148	225	161	626
Q4	76	598	5	532
1978 Q1	233	530	263	− 55
Q2	−129	273	−118	− 674
Q3	−323	−266	−321	301
Q4	− 49	−215	− 26	− 34
1979 Q1	−417	−790	−494	−1,915
Q2	−134	131	−210	− 62
Q3	−123	−421	−191	− 585
Q4	−497	−929	−688	−1,008
1980 Q1	−748	−641	−858	−3,878
Q2	−364	− 6	−463	−1,287
Q3	9	−102	−105	255
Q4	−133	668	− 25	2,270

Notes:

[1] Changes in total current assets less changes in total current liabilities (with borrowing of all maturities from banks included in the comparison with all I & C Companies).

[2] *Source:* Table 2, items 40+41−15–16.

[3] *Source:* Financial Statistics, Table 9.5 adjusted to be continuous from year to year.

[4] *Source:* Table 2, items 40+41−15–16–17.

[5] *Source:* Financial Statistics, Table 9.3 adjusted to be continuous from year to year. (Figures differ, for a number of reasons, from the transactions data in Table 4.)

Comparisons with the national accounts

CHART 1 **Company income**

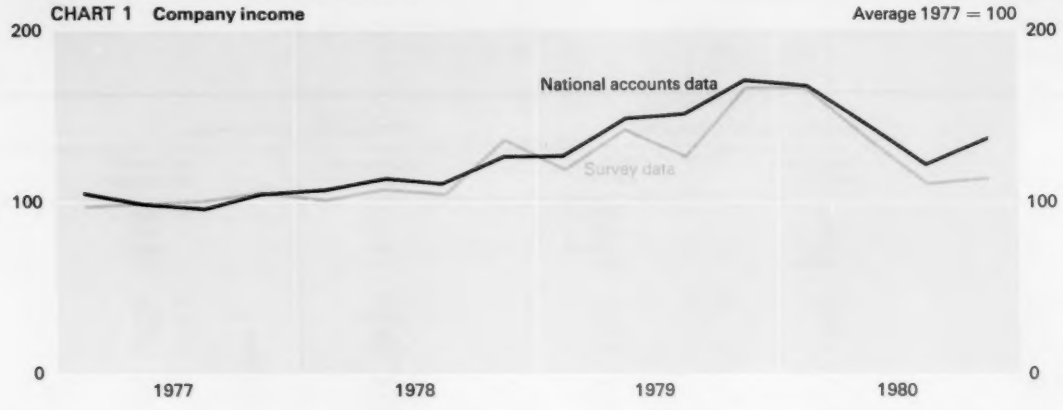


CHART 2 **Expenditure on fixed assets**

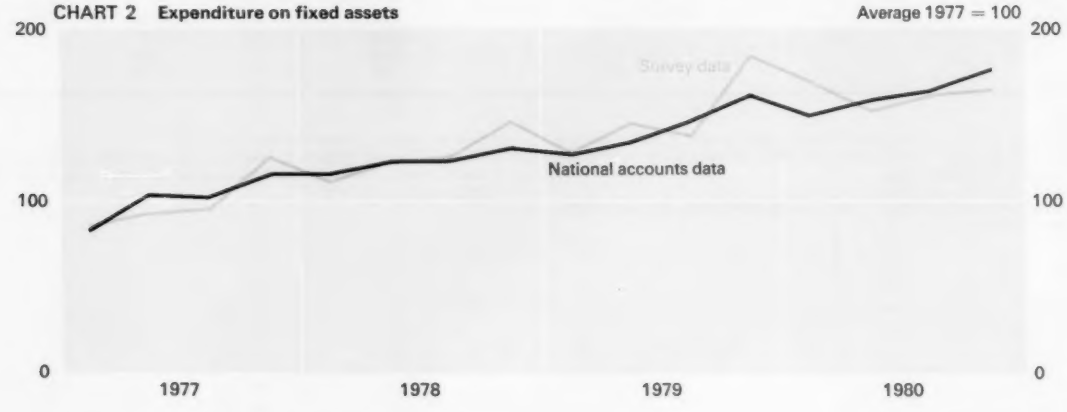
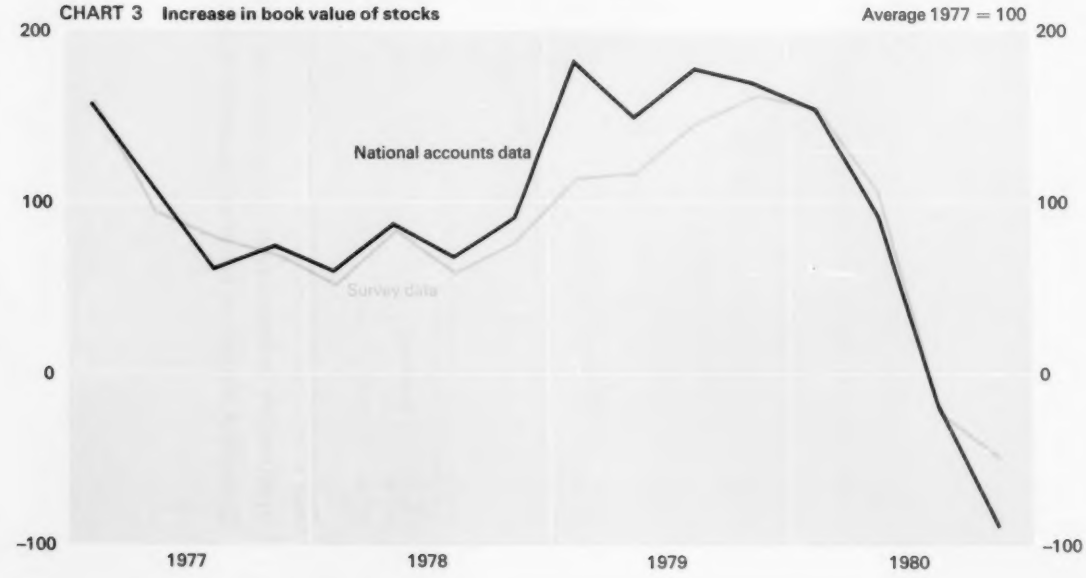


CHART 3 **Increase in book value of stocks**



Comparisons with the national accounts

CHART 4 **Financial surplus/deficit**

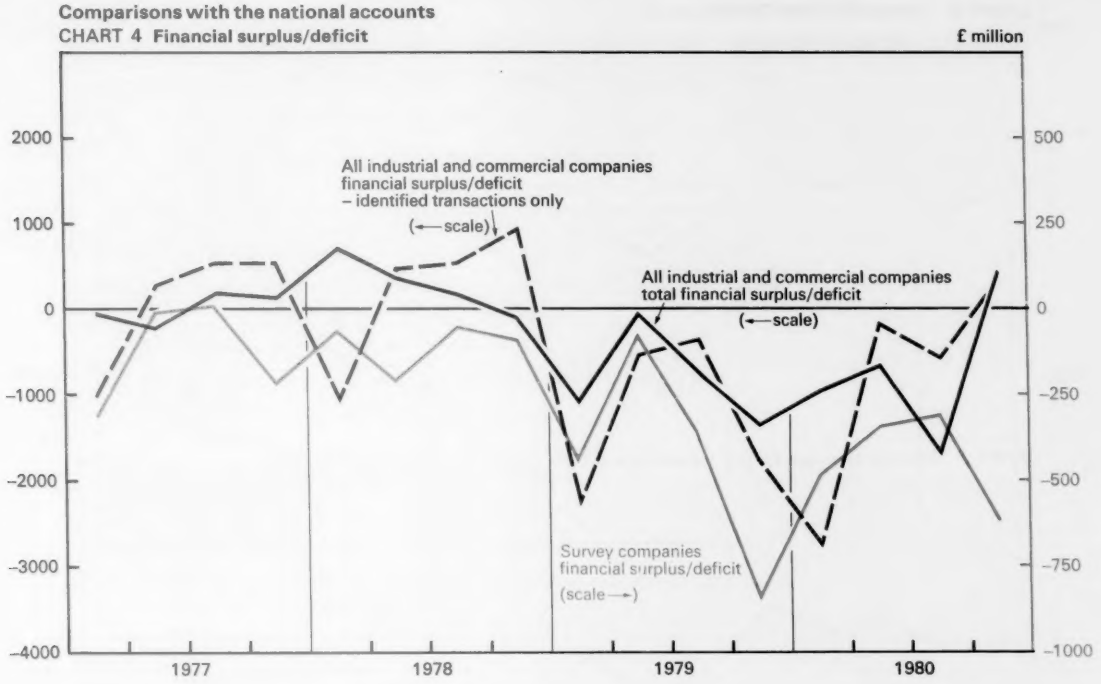
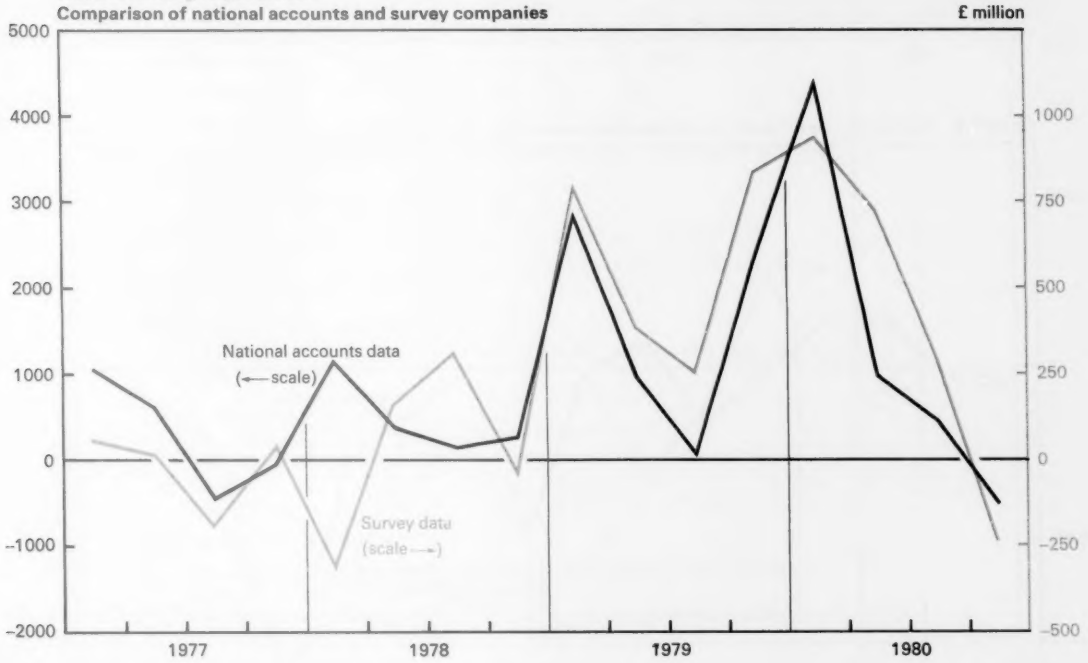


CHART 5

Net borrowing requirement

Comparison of national accounts and survey companies



Changes in net current assets

CHART 6 **Comparison with liquidity survey**

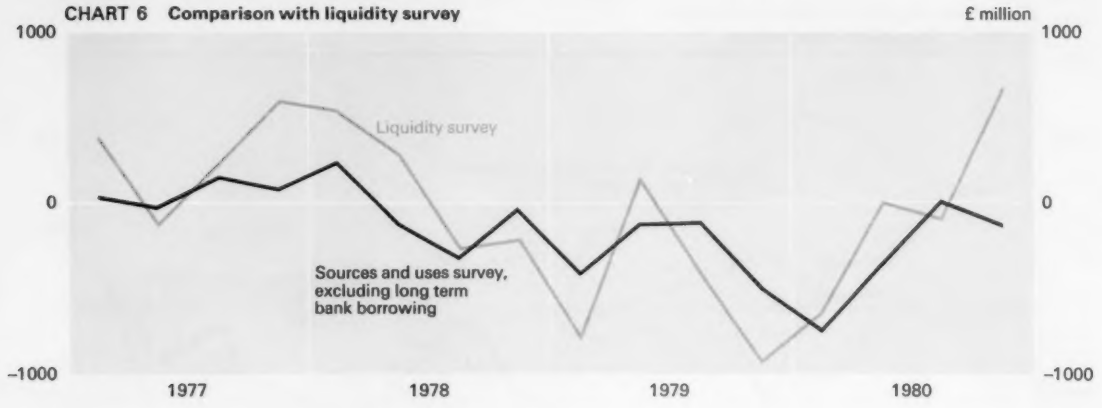


CHART 7 **Sources and uses survey, including and excluding long term bank borrowing**

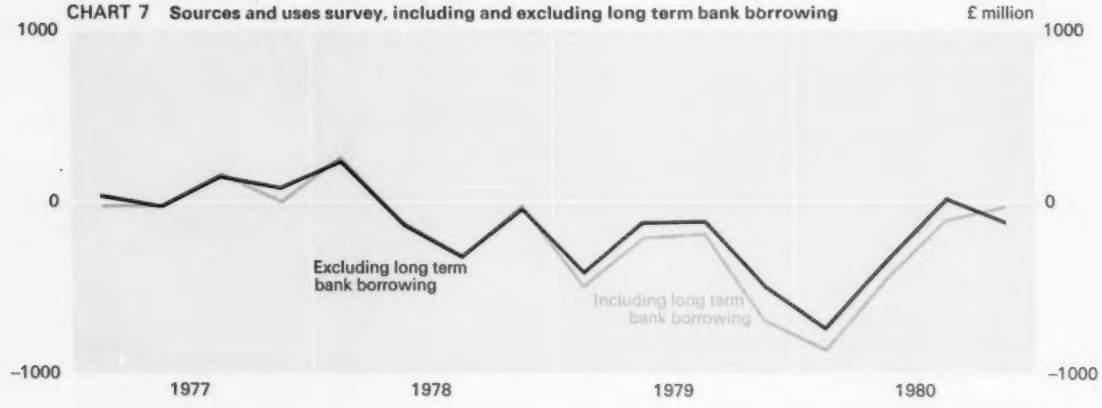
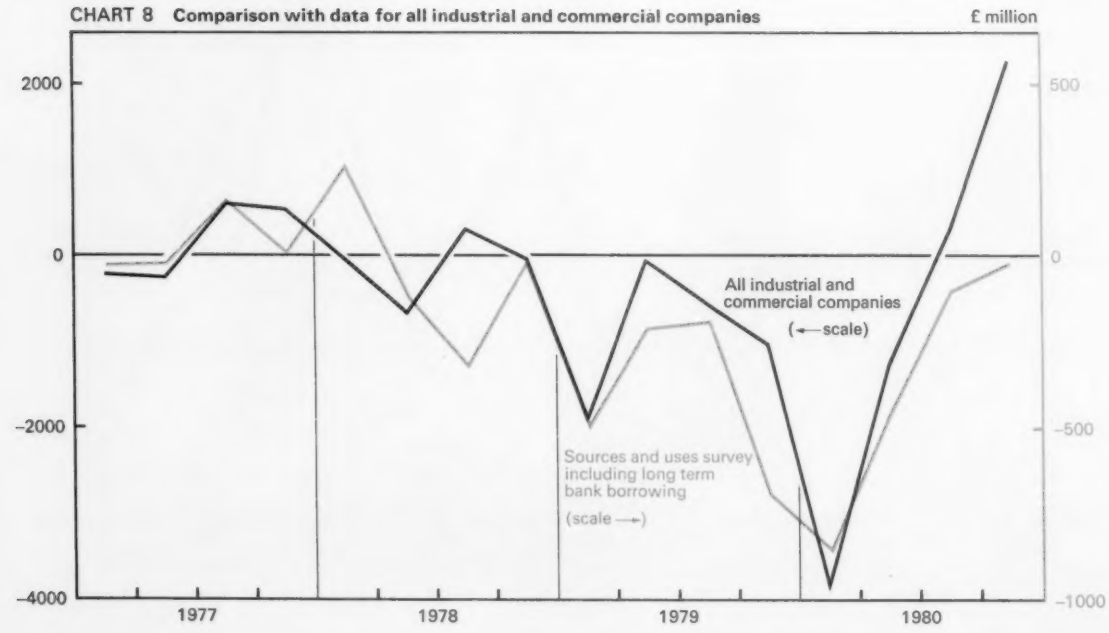


CHART 8 **Comparison with data for all industrial and commercial companies**



APPENDIX 2

IN CONFIDENCE

Company Code No.

QUARTERLY SURVEY OF COMPANY SOURCES AND USES OF FUNDS

FOURTH QUARTER OCTOBER – DECEMBER 1980

Alternatively, company's accounting period from to

Item No.	SOURCES OF FUNDS OF UK COMPANIES	Notes	£'000	Item No.
1	Profit arising in the UK after deducting depreciation but before deducting interest and tax payments and excluding interest received and income from investments, property, associated companies, any unconsolidated UK subsidiaries, and overseas subsidiaries and branches	A		1
	Dividends receivable gross of tax deducted at source or remitted income from	B		
2	(a) UK associates and UK unconsolidated subsidiaries			2
3	(b) Overseas subsidiaries, branches and associates			3
	Rent, other dividends, and interest receivable, gross of tax deducted at source from	B, C		
4	(a) UK			4
5	(b) Overseas			5
6	Other income (please specify the main components separately): – – –

IN CONFIDENCE

Item No.	USES OF FUNDS OF UK COMPANIES	Notes	£'000	Item No.
	Interest payable gross of any tax deducted at source on	Y		
25	(a) loans and debentures with original maturity of more than 12 months		.....	25
26	(b) other borrowing		.....	26
	Tax paid in period (including payments of ACT and tax deducted at source from dividends and interest received)	M, N		
27	(a) UK tax		.....	27
28	(b) Overseas tax deducted at source from overseas income received		.....	28
	Dividends paid (including those paid to minority shareholders)	M, Y		
29	(a) Ordinary		.....	29
30	(b) Preference		.....	30
	Expenditure on acquisition of subsidiaries and ordinary and preference shares of associates net of amounts received on disposals	O		
31	(a) UK companies acquired		.....	31
32	(b) Overseas companies acquired direct by UK companies		.....	32
33	Expenditure on fixed assets net of amounts received on disposals	P, Q	.....	33
34	Expenditure on intangible assets net of amounts received on disposals	R	.....	34
35	Change in book value of stocks and work in progress	S	.....	35
	Net increase in debtors (including amounts outstanding on dividends and interest receivable gross of tax)	T		
36	(a) UK debtors (including amounts receivable from UK unconsolidated subsidiaries and associated companies on inter-company account)		.....	36
37	(b) Overseas debtors (including amounts receivable from overseas subsidiaries, parents, branches and associated companies on inter-company account)		.....	37
	Expenditure on purchases, net of amounts received from sales, of investments in ordinary and preference shares, debentures and loans to companies, other than ordinary and preference shares of subsidiaries and associates	Q		
38	(a) UK companies		.....	38
39	(b) Overseas companies		.....	39
	Change in short-term assets covered by "current assets" in the Quarterly Survey of Company Liquidity	U		
40	(a) Change in book value of assets		.....	40
41	less the (b) Net increase in book value due to any revaluation or profit/loss on disposals		.....	41
	Expenditure on purchases, net of amounts received from sales, of any other investments including changes in money deposited or held overseas	Q, V		
42	(a) UK		.....	42
43	(b) Overseas	W	.....	43
44	Other expenditure (please specify the main components separately): - - -

Effects of leasing on statistics of manufacturing capital expenditure*

STEPHEN PENNECK and ROY WOODS, Departments of Industry and Trade

Introduction

The leasing industry has grown in a very short time to become one of our major investing industries; its current rate of capital expenditure is over £3bn per year. This article gives a short description of how the capital expenditure figures are compiled for manufacturing industry, how the leasing industry has grown, the importance of taking account of finance leasing when assessing manufacturers' investment and how we are trying to ensure that the growth of leasing is not distorting our investment intentions inquiry.

CAPITAL EXPENDITURE AND INVESTMENT INTENTIONS SURVEYS

Capital Expenditure Surveys

Data on manufacturers' capital expenditure is obtained from a series of well established annual and quarterly surveys. Annual data is collected with a high coverage by means of censuses of production conducted by the Departments of Industry and Trades' (DIT) Business Statistics Office (BSO). The censuses are compulsory, being conducted under the Statistics of Trade Act 1947, and are published in the Business Monitor PA series.

These large scale inquiries are supplemented by quarterly inquiries formerly undertaken by DIT's Statistics Division but now conducted by the BSO. Because these quarterly inquiries are voluntary, the panel of contributors is not selected by a random sampling method but is recruited, often after much persuasion, with the aim of obtaining representative cross-sections by industry and by size. There is no standard definition of the reporting unit, but the aim is to cover the whole of a company group, while maintaining separate returns for main industrial activities where possible. There are some 1,500 contributors from manufacturing industry who account for around 60 per cent of that industry's capital expenditure.

The published results take the form of quarterly statistics of capital expenditure (acquisitions net of disposals) for new building work, vehicles and plant and machinery for each of twelve industries within the manufacturing sector. Marginal adjustments (e.g. adjustments to a calendar year basis and for coverage of the public sector) are made to the final results of the annual census of production (ACOP) to provide definitive statistics for past years. These form the basis of the quarterly estimates of gross domestic fixed capital formation (GDFCF) in the national accounts. For instance, the Blue Book published in September 1981 [1], included statistics for 1970–1980, those for manufacturing GDFCF for 1978 and earlier years being based on the final results of the censuses of production. Manufacturing GDFCF for 1979 reflected the provisional census results for that year and were used as the base for projections to 1981 using the quarterly inquiry.

The information from the BSO's ACOP and the quarterly inquiry is at current prices. At a more aggregated level than published in table 10.8 of the Blue Book they are converted to constant prices – 1975 at present – by using deflators compiled from wholesale price indices for capital goods, and then seasonally adjusted using the programs of the US Bureau of the Census (X – 11 varient of the census method II). Series for the twelve main components of manufacturing are published in *British business* [2].

Investment Intentions Survey

The DIT Statistics Division† also conducts surveys of investment intentions for the same industries. These surveys, which are fully described in *Investment intentions, authorisations and expenditure* [3] and in a *Statistical News* article [4] are voluntary and the contributors are drawn from the capital expenditure panels. The investment intentions surveys are now taken half-yearly with results being published in May/June and in December. Each survey asks for expected capital expenditure for two calendar years – for example, the questionnaire for the recent December 1981 survey covered 1982 and 1983 – so that each reference year features in four successive surveys. For convenience these will be referred to as the first, second, third and fourth (and final) inquiries.

The investment intentions survey is one of the foremost economic indicators for the United Kingdom economy, complementing the historic series in the national accounts. The estimates of intended capital expenditure for manufacturing are reflected in the national income forecasts made by the Treasury, and so influence policy decisions about the economy.

Given that the panel of contributors also provides information, on the same basis, to the quarterly capital expenditure survey, it is possible to use similar estimation techniques for both surveys. For the investment intentions, the projection of a population capital expenditure figure from a year ('base year') to the next year or next but one year is made using the change in capital expenditure planned by those respondents who also reported to the quarterly survey in the 'base year'.

Contributors also provide their assumptions about the price change for each of the years for which they give their intended investment. The assumed price changes for a year are combined using as weights the contributors' intended investment in that year. The first of these weighted price changes, for 1982 say, is used to project the implied capital expenditure deflator for 1981 to 1982; this in turn is projected by the second weighted price change to 1983. The paper by Lund, Martin and Bennett [5] describes some of the analysis that has been made of these price changes. The constant price capital expenditure values that emerge from this process for each industry group are known as 'grossed-up intentions' as are the manufacturing totals derived by aggregation.

The investment intentions inquiries have now been running for 25 years and experience has shown that the grossed-up intentions for a particular inquiry cannot be taken as a direct forecast of capital expenditure. Compared

* Based on a paper presented to the 15th Conference of the Centre for Economic Research on Economic Tendency Surveys (CIRET).

† This work is due to be taken over by the BSO in mid 1982.

with outturn there are tendencies for bias; that is, some inquiries are optimistic (the grossed-up intentions exceed outturn) and some are pessimistic. Over the years, these biases have settled into reasonably well established patterns. The biases can be high, particularly for the first and second inquiries, and for manufacturing the average bias for even the final inquiry is positive and around 9 per cent. As might be expected, the biases are more variable in the earlier than the later inquiries for a given year. Analysis of the size and direction (above and below outturn) of the bias suggests they depend on a number of factors, particularly the stage reached in the 4–5 year investment cycle. The estimates of investment intentions for manufacturing industry which are published and which are used within government attempt to allow for the probable bias in the grossed-up intentions by using the relationships between intentions and outcome in the past. In making the estimates, use is made both of formal econometric methods and of more judgemental methods involving examination of the pattern and trend of the biases.

The accuracy of the estimates of capital expenditure is greater the higher the level of aggregation and it is only for the manufacturing total that results are published. (An indication of the accuracy is given in the table on page 18 of this issue). Following the discussion of finance leasing, the remainder of this article is mostly concerned with the effect of leasing upon this manufacturing total.

FINANCE LEASING

The nature of finance leasing

The expenditure survey approach to the compilation of estimates of capital formation lends itself readily to the allocation of capital assets by ownership rather than by usage. In many cases the ownership and the use of an asset fall to the same company, but where they differ it is the analysis by use which is more valuable for economic analysis, especially for the measurement of capital stock and the assessment of capital/output ratios and capacity.

Leasing involves the separation between ownership and use of physical assets; the assets leased are usually capital goods, i.e. plant, equipment and vehicles for industry, notably of the new technologies (such as computers), aircraft, heavy industrial plant and expensive items of office equipment. Leasing covers a spectrum of transactions ranging from hiring of vehicles, say (where the user records payment for use of the assets in his operating account) to finance leases which are very close substitutes for loans and instalment credit – in economic reality if not in law. The development of capital leasing by specialised organisations began in the United States of America in the early 1950s.

One main category of leasing in which there is a statistical interest is the *operating lease* which is a contract, common in the computer field, under which the lessor relies on the residual value of the equipment leased for his profit, whether by the sale of the asset or subsequent leasing.

This article is principally concerned with *finance leasing* (or full payment leasing), a generally accepted definition of which in the United Kingdom involves: a contract for the hire of a specific income-producing asset selected from a manufacturer or supplier of such assets *by the lessee*, the lessor not being responsible for its suitability or condition. The lessor retains ownership throughout, while the lessee has the use of the asset on payment of specified charges over the contract period. There is always a primary or basic period (which could be as much as ten years), which is less than – or at most equal to – the estimated life of the asset, during which the lessor makes an annual charge sufficient to recover his capital outlay and to yield a profit. The lessee may then have an option to continue the contract for a further (secondary) period at a much reduced and perhaps merely nominal charge.

The growth of leasing

Lessees in the United Kingdom claim, according to a survey by the Cranfield School of Management [6], that important reasons for obtaining assets on finance lease are the conservation of cash flow and cheapness compared with purchasing. Taxation arrangements have certainly played a major part in the recent growth of finance leasing in the United Kingdom. Subsidiaries of the UK commercial (clearing) banks have been major lessors. They have been able to take up capital allowances and pass them on to lessees in the form of competitive leasing rates. Undoubtedly this has been attractive to companies with no tax liability. The growth of leasing is explained more fully in an article published by the Bank of England [7]. Leasing has grown very rapidly since 1975, to a point where it is now a major component of UK investment (see chart 1). Here we are concerned with the implications of this growth for the measurement of investment.

Accounting treatment

In the United Kingdom, assets held on finance lease are treated in the accounts of the lessor and lessee companies exactly the same as assets subject to any other kind of lease: they are shown as capital assets in the accounts of the *lessor*, with often a footnote reference in the accounts of the lessee. The Accounting Standards Committee has issued an Exposure Draft (ED 29) on accounting for leases [8] proposing that leased assets should be capitalised in the accounts of the lessee. This is already the practice in the United States of America.

Statistical offices of international organisations are moving to the same conclusion in respect of national accounts. However, finance lease assets have generally been treated in the UK national accounts as owned by the lessor and allocated to the finance sector of the service industry, although it has not always been possible to distinguish these assets in the finance sector's statistics.

Leasing Statistics

The United Kingdom's Equipment Leasing Association (ELA) was the first in the field of collecting UK statistics on assets obtained specifically for leasing. The ELA collects only from its members, who numbered 59 in 1981, and the data collected is solely in respect of finance leases. The ELA's annual series of acquisitions of assets for leasing on finance lease, given below in table 1 begins from 1971, the infancy of finance leasing business in the United Kingdom, but the growth is slightly overstated because the ELA has secured new members each year and it was not practicable to adjust the figures for earlier years.

Assets acquired for finance leasing: £ million at current prices

TABLE 1

1971	..	159	1976	..	421
1972	..	130	1977	..	675
1973	..	280	1978	..	1,214
1974	..	321	1979	..	1,802
1975	..	340	1980	..	2,359

Source: Equipment Leasing Association

The DIT Statistics Division* started its quarterly inquiry into leasing from the first quarter of 1975. The original voluntary panel of lessors has been augmented over time – mainly with the entry of new companies into the leasing business – but the figures for earlier years have been adjusted upwards where necessary. Data for the commercial banks' own assets leased out (banks' specialised subsidiaries are mostly ELA members) are supplied by the Bank of England. The leasing inquiry does not represent a departure from the convention of obtaining capital expenditure data on an ownership basis. It asks lessors to provide a breakdown of capital expenditure not for their own use between finance leasing and other leasing, and for a breakdown of the former by industry of lessee. The coverage of leasing in these inquiries is considered to be about 90 per cent of the whole. Estimates for the remaining businesses engaged in leasing have been derived using aggregates computed by the BSO from information collected, on a sample basis, in annual inquiries covering, in the main, smaller businesses engaged in the leasing of industrial and office machinery, office furniture, vending machines, etc.

Detailed results for the years 1975–1980, as published in *British business* [9], are given in tables 1–2 of the Appendix. It should be noted that where the lessors have not provided the breakdown by lessee, their finance leasing has been allocated to the residual category 'All other leasing, hiring or renting out'. This allocation would mainly account for the difference between the values for finance leasing in the table and those issued by the ELA.

It has been difficult to formulate price indices appropriate for leased assets as little is known of the product composition of the plant and machinery category and the values at 1975 prices given in table 2 of the Appendix should therefore be treated with caution. There can be no doubt, however, about the rapid growth in the volume of total leased assets over recent years.

The effect of leasing on statistics of manufacturing investment

Although economic analysis of investment by any industry is likely to require the inclusion of assets acquired on lease as well as assets purchased, this has been especially so in the case of manufacturing industry. The movement of manufacturers into leased rather than purchased assets has been significant, and the remaining ownership based expenditure series, whose earlier growth has been checked since 1970, has been a poor indicator of the trend of manufacturers' investment. DIT consequently embarked on a programme to provide quarterly estimates of leasing to manufacturing industry and enable them to be considered together with the manufacturers' capital expenditure series.

There have been many difficulties, and the programme is not yet complete, but annual figures are given in table 2 below. The first main problem in compiling these figures has been that many lessors are unable to provide a precise analysis of all their business between finance and operating leases and by industry of lessee. This is evident by the large residual heading in table 1 of the appendix which had to be reallocated to the other headings.

The second problem was to extend these reallocated figures back to 1971; for the purposes of this article this was done by using the relationship between the Department's statistics and those of the ELA for the years 1975–1979, and by assuming that the proportion of total leasing that was accounted for by finance leasing to manufacturers since 1975 was true for the four preceding years. Finally, it has been assumed that the price movements for these earlier years have been the same as those of the implicit price index for manufacturers' capital expenditure on vehicles, plant and machinery, excluding new building work.

So far publication of the statistics given in the following table has been restricted to the years from 1975. Using the estimates described in the previous paragraph the series has now for the first time been taken back to 1971, although these estimates must be taken as tentative. In addition, an arbitrary, but fairly realistic, sum of £100 million at 1975 prices has been inserted as the finance leasing element for 1970.

Investment by manufacturing industry

TABLE 2

	£ million 1975 prices			
	Capital expenditure	Estimated volume of assets leased from service industries		Total expenditure plus leased assets
			Additional percentage	
1970	4,177	(100)		(4,277)
1971	3,898	120	3·0	4,018
1972	3,370	100	3·0	3,470
1973	3,440	175	5·1	3,615
1974	3,782	200	5·3	3,982
1975	3,522	188	5·3	3,710
1976	3,326	204	6·1	3,530
1977	3,476	266	7·7	3,740
1978	3,769	368	9·8	4,137
1979	3,969	470	11·8	4,439
1980	3,577	580	16·2	4,157

The table shows clearly that the trend in leasing-augmented manufacturing investment is more encouraging than that of actual capital expenditure. 1970 was, and remains, the all-time peak in the latter series whereas in the leasing-augmented series 1970 was a local peak which was surpassed in 1979. Indeed, the leasing-augmented series achieved a record level in 1979.

Results from the latest investment intentions survey for the distributive and service industries (which includes the leasing industry) indicated that the growth of leasing is likely to continue into 1982. It is thought that leasing provided an additional 22 per cent of investment for manufacturers in 1981 and that this proportion may continue to grow this year. Certainly it is clear that any discussion of the trends of manufacturing investment must take account of leasing.

Further improvements in leasing statistics

There is a strong demand for a more detailed industrial analysis of lessees with, for instance, a breakdown of manufacturing industry into its main branches. This has not proved possible to date because leasing companies are not generally able to provide this fine detail. A possible approach to this requirement is to collect leasing data from the lessees themselves. Such an approach will need to overcome two difficulties: the need to avoid any substantial increase in the burden of form-filling (collecting data from lessors is more efficient in this respect); and the difficulty that respondents would have in determining the appropriate value of the assets that they had obtained on lease.

* The description and discussion of this inquiry which is presented in this article should not in principle be affected by the recent transfer to the Bank of England of responsibility for leasing statistics.

Consideration is being given to extending the coverage of leasing activity, however, by recruiting to the quarterly leasing inquiry those firms who, although primarily manufacturers, dispose of some of their output on finance lease, rather than by outright sale. This seems to parallel the differentiation between company and producer leasing made in the IFO Institute investment survey [10].

International leasing statistics

Although there are no official statistics on an international basis yet available on finance leasing, Leaseurope, the federation of leasing associations in Western European countries, has collected information for the years 1978 and 1979 from its members and these results are reproduced in table 3 of the Appendix. The figures for UK are those published by the ELA.

Leaseurope warns that as its inquiry is newly established the results should be regarded with extreme caution. Member associations have agreed standard definitions of leasing, but legal frameworks and accounting practices vary considerably and the coverage of business by national associations is also bound to differ: the figures for countries are not, therefore, directly comparable. Where official statistics on leasing do exist they may appear to conflict with Leaseurope statistics.

Despite these qualifications, table 3 of the appendix shows quite clearly that leasing is of major importance in France, Germany and Italy as well as in the UK. Other European countries do not, on the whole, have the same tax regime as the UK, and so the growth of leasing is ascribed to non-tax reasons such as links with service/maintenance agreements and the wide ranging package of financial services offered by leasing companies.

EFFECT OF LEASING ON THE INVESTMENT INTENTIONS SURVEY

The most important effect of leasing assets rather than buying them on the statistics of realised investment – the apparent switch of investment from manufacturers to leasing companies – has been described above. The use of of results from the leasing inquiry to 'restore' this investment to manufacturing industry was illustrated by table 2. The problem now being considered is to assess the effect of manufacturers' leasing capital goods, rather than buying, on their estimates of planned investment which they provide in the biannual investment intentions survey.

The investment intentions bias, that is the difference between the 'grossed up intentions' and the outturn, was discussed earlier. Naturally, the possible causes of this bias have been considered. An inquiry undertaken by the Department some years ago found that firms rarely made an up-to-date projection specifically to complete the investment intentions questionnaire. Generally the firms had a standard annual routine, making forecasts once, twice, or more frequently each year and the figures from the latest round would be recorded in the investment intentions return. The status of the figures varies. In some cases they reflect definite decisions at an authoritative level in the company, such as the board of directors, but sometimes they only represent the bid – by its very nature, optimistic – of a particular division within a company group and these bids are later modified as the overall investment plan for the group as a whole emerges.

Another major factor which influences how manufacturers' investment intentions compare with their outturn must be price increases – how accurately companies take inflation into account in their budgeting, and how their capital programme reacts when inflation turns out to be different from what they expected. Some companies will be 'volume maintainers' in the sense that they will finance any extra cost increases incurred and maintain the volume of their investment, while others will keep within 'cash limits' and cut projects if costs rise unexpectedly. Most companies probably follow a middle course. It seems from the investment intentions survey that many companies failed to anticipate the rise of inflation in the early 1970s, and responded to it by cutting back the volume of their planned investment. The consequence was a rise in the investment intentions biases.

In addition it is possible that the growth of leasing may have affected the investment intentions. The cost of a new factory or the major extension of an existing factory would be such an important item in a firm's budget that planning this investment would be very closely linked with decisions on how the cost should be funded: out of profits; by the use of a loan; through a property-holding company within the company group; or in the case of a new factory, a decision to rent either a government (or local government) owned property or from a property owning company. For machinery, vehicles and some plant, on the other hand, where the values, although often large, are not such a significant outlay it is known that a number of firms first tentatively plan their investment and only later decide whether it should be funded out of their profits, through a loan, or by means of finance leasing. For these firms their two year ahead forecasts (say, in the first inquiry conducted for 1982 in November-December 1980) may well include the value of some assets which eventually would be obtained on finance lease arrangements. Such inclusion on our forms would be contrary to our instructions that leased assets should be excluded, but under such circumstances completion of the form in this way is not surprising. The firms' forecasts would, therefore, have an upward bias because these leased assets would not appear in the firms' eventual reporting of their capital expenditure; they would appear in that reported by the lessor. This upward bias is likely to reduce in each successive forecast for that same year.

Until extensions were made to the three most recent investment intentions surveys only a scattering of anecdotal evidence supported this conjecture. To minimise the additional reporting burden, only minor changes in the questionnaire have been made. It was quite difficult to formulate a question which would be easy for respondents to answer and would also enable us to make straightforward adjustments to the grossed up intentions. Eventually it was decided to concentrate on the latter objective, although with hindsight it now seems that simpler questions might have gained a higher response. Contributors were asked whether the forecast given on their previous return had since been altered as a result of a decision to lease rather than purchase (or vice versa), and, if so, by how much.

The magnitude of the effect in respect of the third inquiry for 1982 reported in November-December 1981 was not large. 22 respondents in manufacturing industry (out of about 1,100) said that they had reduced the reported value of their planned investment following decisions to obtain some assets on lease, whilst 19 said that they had increased the figures reported because of decisions not to lease.

The evidence from this and the two earlier surveys when this question was asked (November-December 1980 and April-May 1981) suggests that probably less than 10 per cent of finance leasing by manufacturers is included in their initial investment intentions return looking two years ahead; the percentage drops with each succeeding survey.

This reassuring result might suggest that the investment intentions bias has little to do with the growth of leasing, but it is too soon to draw this conclusion. Earlier informal soundings of respondents by telephone had indicated that leasing was having a more substantial effect. It may well be that the nature of the question, and its novelty, may have lowered response. The inquiry is, after all, voluntary, and the respondent may not have had access to information regarding leasing.

The leasing effect questions will continue to be asked for several more inquiries and it is to be expected that increasing familiarity (overcoming the initial resistance outlined above) will elicit a higher response. However, it is possible that this postal enquiry into the effect of leasing will have to be supplemented by discussions with firms on their reporting practice. This would be necessary to resolve some of the points raised.

FURTHER RESEARCH

The demand for leasing and the manufacturing investment cycle

In the United Kingdom there is a fairly close relationship between the cycle for manufacturing capital expenditure and the general business cycle represented by gross domestic product (with which the index of production for manufacturing coincides), the cycles being measured by their deviations from a 21 quarter moving average which aims to remove the cyclical effect. On average, the investment peak lags the production peak by about five quarters whilst the investment trough lags the production trough by only two quarters.

It would be interesting to establish whether there was a cycle in the acquisition by manufacturers of assets on finance lease and how such a cycle would relate to that of manufacturers' capital expenditure. Unfortunately there is little scope for analysis because the relative imprecision of the constructed series for 1971–1974 reduces the annual series to only six observations and the quarterly elements of this are not yet established.

The evidence examined to date suggests that there is little deviation about the simple linear trend, and that is not unexpected given the fast growth in leasing which would tend to swamp any cyclical effect. The only economic conjecture for which there is slight evidence – the observations being above trend – is that there is relatively greater demand for leasing facilities in the years (1975 and 1980) following the annual investment peaks (1974 and 1979) when investment plans are still high but there are growing constraints of finance with falling income consequent upon reduced output.

Looking ahead

Many of the opportunities for more sophisticated analysis will only open up when the leasing time-series has many more observations but this is, of course, a problem for any statistics in their infancy. The tracing of cyclical relationships will be helped when the finance leasing to manufacturers series from 1975 is available on a seasonally adjusted quarterly basis; work is currently proceeding on this. In addition, as explained earlier, the coverage of finance leasing will be improved when certain manufacturers, who engage in leasing as a secondary activity, are incorporated in the panel.

The difficulties of collecting an industrial breakdown of finance leasing to manufacturing were noted earlier. One alternative is being pursued, however. Data is available at the 3-digit industry level from the annual censuses of production for manufacturing of the amounts paid for plant, machinery and vehicles obtained on lease. It is hoped that with the making of simplifying assumptions some capitalisation of this data will be possible although the use of this with statistics of actual capital expenditure must necessarily be confined to a few broad industry groups.

The authors acknowledge those colleagues who made helpful contributions to this article, the shortcomings of which remain their own responsibility. They hope that it will provide a stimulus for new work, not least in their own Department, to overcome some of the data deficiencies described.

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APPENDIX

Capital expenditure from 1975 to 1980 on assets for leasing, hiring and renting out[1]

TABLE 1

£ million, current prices

	Financial leasing to:			All other leasing, hiring or renting out[3]	Totals
	General government[2]	Manufacturing industry	Other industries		
New building work:					
1975	—	—	—	5	5
1976	—	—	—	5	5
1977	—	—	—	4	4
1978	—	—	—	8	8
1979	—	1	—	6	7
1980 p	—	2	3	3	8
Vehicles:[4]					
Acquisitions					
1975	7	20	58	36	121
1976	9	22	124	41	196
1977	10	55	132	70	267
1978	23	209	261	263	756
1979	27	230	626	293	1,176
1980 p	55	210	633	224	1,122
Disposals					
1975	—	4	3	7	14
1976	—	5	7	9	21
1977	—	4	5	12	21
1978	2	9	14	18	43
1979	3	30	52	50	135
1980 p	4	40	120	70	234
Plant and machinery:					
Acquisitions					
1975	39	102	67	203	411
1976	40	143	78	208	469
1977	35	184	146	368	733
1978	37	273	210	350	870
1979	72	415	345	490	1,322
1980 p	135	610	583	702	2,030
Disposals					
1975	—	4	2	10	16
1976	1	6	8	15	30
1977	2	14	11	24	51
1978	9	16	22	26	73
1979	8	25	26	42	101
1980 p	9	30	30	50	119
Total expenditure:					
Acquisitions					
1975	46	122	125	244	537
1976	49	165	202	254	670
1977	45	239	278	442	1,004
1978	60	482	471	621	1,634
1979	99	646	971	789	2,505
1980 p	190	822	1,219	929	3,160
Acquisitions less disposals					
1975	46	114	120	227	507
1976	48	154	187	230	619
1977	43	221	262	406	932
1978	49	457	435	577	1,518
1979	88	591	893	697	2,269
1980 p	177	752	1,069	809	2,807

[1] Capital expenditure by banks, leasing subsidiaries of banks, finance houses and specialist leasing companies.

[2] Central government and local authorities.

[3] Includes some financial leasing for which information about lessees was not available. The proportion of such leasing varies between years, so that comparisons are not strictly valid.

[4] Includes some ships owned by the lessors specified in [1] above.

p Provisional.

Aggregate capital expenditure, 1975-80, on assets for leasing, hiring and renting out: at current prices and constant (1975) prices

TABLE 2

	£ million			
	New building work	Vehicles[1,2]	Plant and machinery[1,3]	Totals[1]
1975				
Current prices	5	107	395	507
1975 prices	5	107	395	507
1976				
Current prices	5	175	439	619
1975 prices	4	146	380	530
1977				
Current prices	4	246	682	932
1975 prices	3	168	540	711
1978				
Current prices	8	713	797	1,518
1975 prices	6	411	603	1,020
1979				
Current prices	7	1,041	1,221	2,269
1975 prices	5	533	931	1,469
1980 p				
Current prices	8	888	1,911	2,807
1975 prices	4	393	1,377	1,774

[1] Acquisitions less disposals.
[2] Includes ships.
[3] The estimates at 1975 prices must be regarded as subject to a considerable range of error, see text. p Provisional.

Leasing in Europe: The Leaseurope 'Grand Parade' 1978-1979

TABLE 3

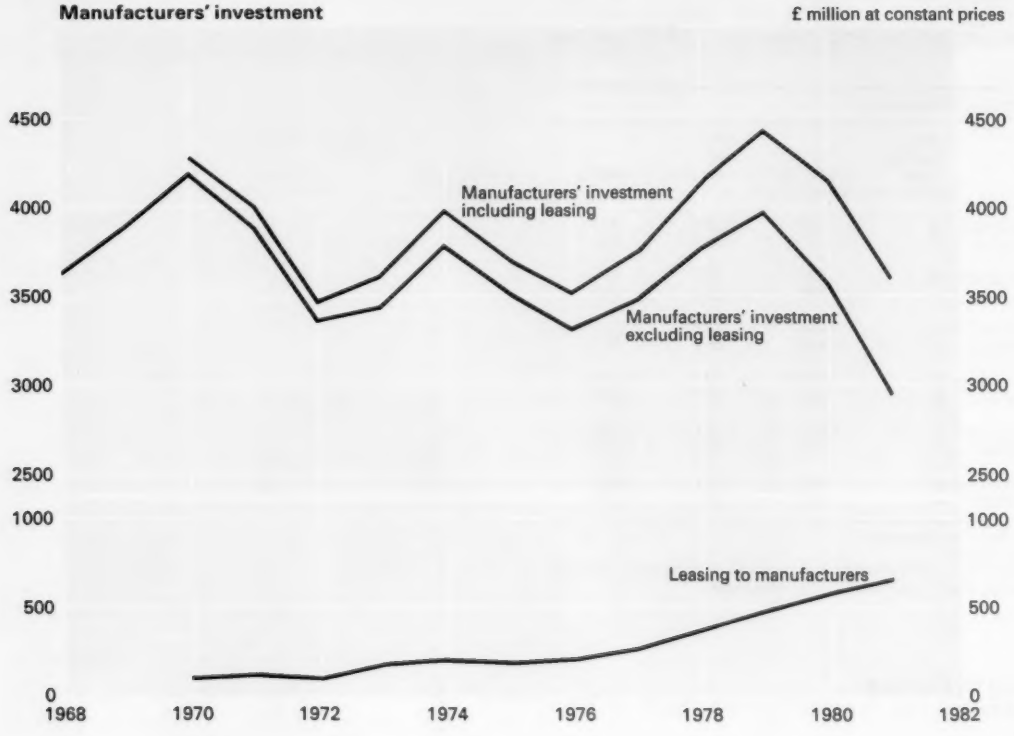
	Acquisitions of assets for leasing					
	1979		1978		1978–1979	
	Local currency (m)	BFr (m)	Local currency (m)	BFr (m)	Growth[1] (%)	Prices increases[2] (%)
Austria	2,398	5,396	1,553	3,573	51	5
Belgium	6,367	6,367	4,800	4,800	33	6·5
Switzerland	409	7,178	232	4,176	76	5
Germany	2,700	43,335	2,200	37,400	23	2·5
Denmark	502	2,786	268	1,607	87	11·5
Spain	15,488	6,195	13,200	5,280	17	11
France	17,900	127,090	13,638	104,945	31	11·8
UK	1,802	109,922	1,214	76,482	48	17·5
Italy	918,700	36,748	627,400	25,096	46	20
Ireland	60	3,660	50	3,167	20	13·2
Luxembourg	229	229	30	30	663	4·5
Norway	626	3,631	665	3,978	— 6	7
Netherlands	1,265	18,659	1,100	16,500	15	4·2
Sweden	1,384	9,688	855	5,985	62	11
Finland	324	2,413	155	1,162	108	8
		383,297		294,181	30	

[1] Calculated on local currency.
[2] OECD: Based, as far as possible, on changes in Capital goods indices
Source: Leasing Digest, November 1980, p. 15.

CHART 1

Manufacturers' investment

£ million at constant prices



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Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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